

*The State of Louisiana
Department of Health and Hospitals*

State Fiscal Year 2012

July 1, 2011 - June 30, 2012



**DRINKING WATER
REVOLVING LOAN FUND**

A PROGRAM OF THE DEPARTMENT OF HEALTH AND HOSPITALS

ANNUAL REPORT

Office of Public Health
Drinking Water Revolving Loan Fund Program
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MISSION AND GOAL

Every day, Louisiana citizens consume drinking water supplied by more than 1,500 public water systems. Operators and managers work tirelessly to ensure the safety of their product and reliability of their service at affordable prices. The Louisiana Drinking Water Revolving Loan Fund is committed to assisting them by funding infrastructure projects necessary to provide a safe and secure supply of drinking water to ensure the public health of every community.

The State of Louisiana's Department of Health and Hospitals administers the Drinking Water Revolving Loan Fund (DWRLF). Since 1997, the DWRLF has been providing assistance in the form of low-interest loans for construction of eligible infrastructure projects and technical assistance to public water systems in Louisiana.

Low-interest loans combined with assistance through the set-asides provide a comprehensive approach to assisting Louisiana public water systems.

DWRLF Program Contractors

The Louisiana DWRLF utilizes a combination of personnel and contractors to accomplish the activities associated with the Loan Fund and the set asides. Each year, we assess the program and make decisions regarding the need for staff and contractors toward accomplishing the goals. We include these needs in the Intended Use Plan which we submit to EPA as a part of the application process.

Community Resource Group (CRG)

CRG provides onsite technical assistance to small water systems throughout the state

Louisiana Rural Water Association (LRWA)

LRWA provides onsite technical assistance to small water systems throughout the state and also provides management training to decision makers of any size water systems in the state.

Whitney Bank

Whitney Bank (formally Hancock Bank) prepares and mails monthly invoices for interest and principal payments due to the DWRLF from loan recipients.

Julie LeBlanc, P.E.

Julie is a professional engineer that assists the program with the Area-Wide Optimization Program (AWOP).

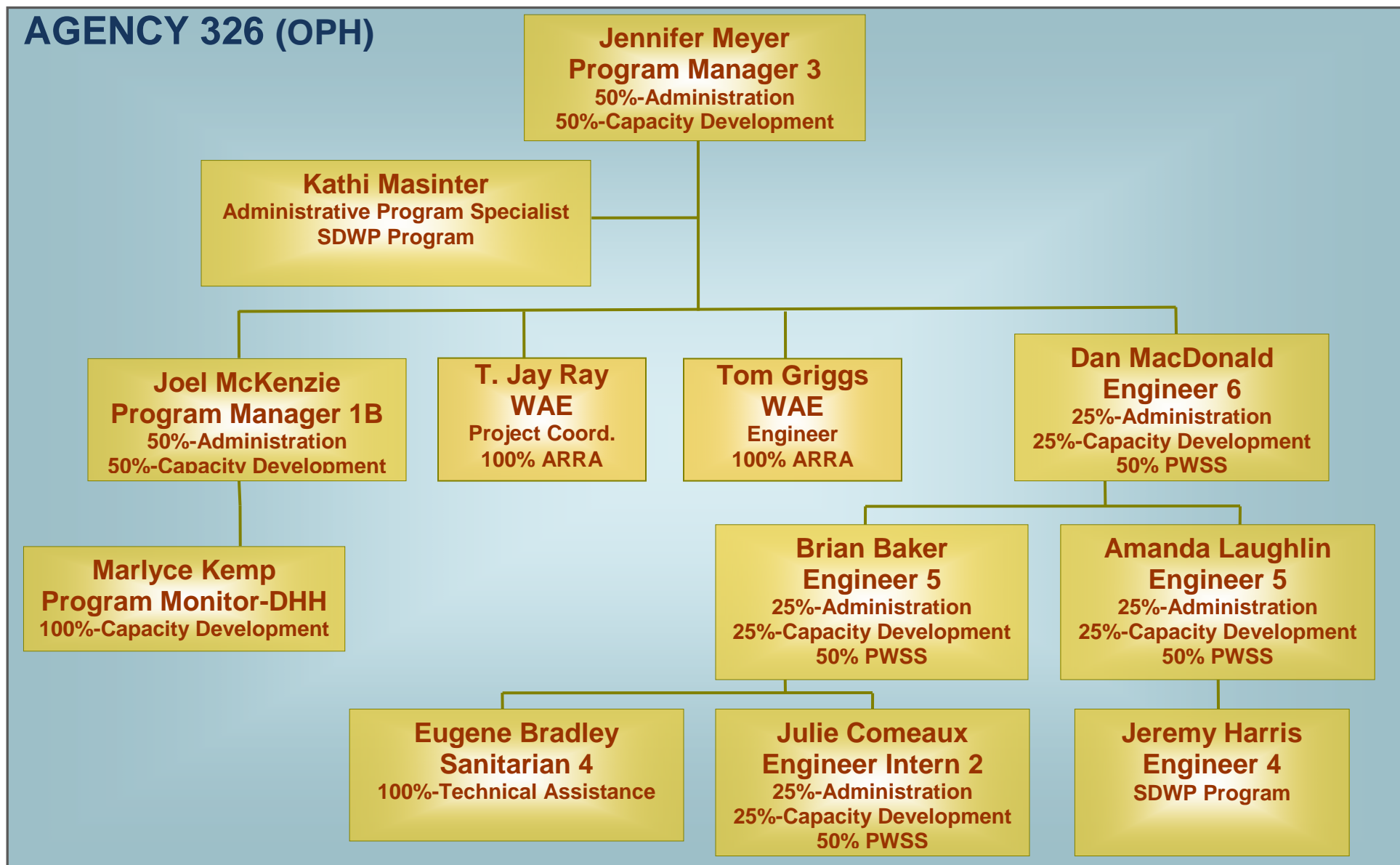
Public Financial Management (PFM)

PFM serves as the financial advisor to the DWRLF.

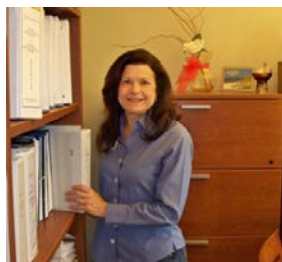
Adams & Reese, LLP

Adams and Reese, LLP provide legal counsel to the program in the areas of closing loans, state match bond sales, and other general legal issues.

Drinking Water Revolving Loan Fund Organizational Chart



Staff Biographies



JENNIFER MEYER
Manager

Jennifer Meyer assumed the role of Manager of the Drinking Water Revolving Loan Fund Program in the Louisiana Department of Health and Hospitals, Office of Public Health shortly after Jay Ray's retirement in early 2011. Prior to this she was the Loan Coordinator since 2001. She previously served as Capacity Coordinator and Auditor for the program beginning in 1998 and for a short period prior to that was a loan analyst in the Department of Environmental Quality's Clean Water Revolving Loan Fund Program.

Before joining the DWRLF Program, Ms. Meyer began her professional career working as staff accountant and field auditor for various CPA firms in the Jeff Davis Parish area. She subsequently worked for the City of Jennings, Louisiana - first as internal auditor, then as City Clerk, after which she was elected Mayor. Once her term ended, Jennifer worked as a Nursing Home Administrator until she purchased a day care center in Baton Rouge. She owned and operated this business for six years prior to working for the State.

Jennifer earned her Bachelor of Science degree in Accounting from McNeese State University, Lake Charles, Louisiana, in 1980. She is also a notary public, commissioned in Lafayette Parish.



JOEL MCKENZIE
Loan Coordinator

Joel McKenzie has been with for the Drinking Water Revolving Loan Fund (DWRLF) Program for eight years. Mr. McKenzie received a Bachelor of Science Degree in Accounting from Southeastern Louisiana University (SLU) in Hammond, Louisiana. He began his career with the Program as an Accounting Specialist in 2003 before working his way up as Auditor 3, Program Monitor (Capacity Coordinator), and now serves as Program Manager 1-B (Loan Coordinator). Mr. McKenzie enjoys serving the citizens of Louisiana and looks forward to ensuring the success of the Program into the future.



Dan MacDonald, P.E., M.B.A.
DWRLF Program Engineer

Dan MacDonald, P.E., M.B.A. has been an Engineer with the Office of Public Health's Safe Drinking Water Program for over 8 years. He joined the Drinking Water Revolving Loan Fund (DWRLF) staff as a Project Engineer in June 2005. Before joining the DWRLF program, Mr. MacDonald served as the Technical Program Manager/Engineer for the Safe Drinking Water Program's (SDWP) Engineering Services Section of the Louisiana Department of Health and Hospitals/Office of Public Health/Center for Environmental Health Services (LDHH/OPH/CEHS). While working for

LDHH/OPH/CEHS – Engineering Services, Mr. MacDonald served as the Consumer Confidence Report (CCR) program manager and Area-Wide Optimization Program (AWOP) Manager. Besides his contributions to both the DWRLF program and Engineering Services, Mr. MacDonald also previously served as the Member Representative on the Louisiana Geographic Information Systems Council (LGISC) representing LDHH/OPH/CEHS from 2004 to 2009.

Prior to 2003, Mr. MacDonald had an extensive career in the private sector as a Consultant Engineer for Environmental and Civil Engineering firms in Louisiana and Virginia. His consultant engineering work included wastewater treatment system and industrial plant fueling facility designs; Environmental Assessments (EAs); Underground/Aboveground Storage Tank (UST/AST) installation, removal, and remediation; lead/asbestos abatement; environmental risk-evaluation and corrective action plans; monitoring well, recovery well, and remediation system installations, and groundwater/soil remediation projects.

Mr. MacDonald was born and raised in Baton Rouge, Louisiana and is a graduate of Baton Rouge Magnet High School. In May of 1998, he received his Bachelor of Science degree from Louisiana State University (LSU) in Environmental Engineering. In January 2004, Mr. MacDonald became a licensed Professional Engineer registered in the State of Louisiana, as well as a member of both the Louisiana Engineering Society and the Water Environment Federation. In August of 2009, Mr. MacDonald received his Masters in Business Administration at LSU's E.J. Ourso College of Business.

Currently, Mr. MacDonald serves as the DWRLF Program Engineer and has the pleasure of managing a small staff of highly talented and thoroughly experienced Project Engineers. At the same time, he conducts reviews of System Improvement Plans along with various related NEPA environmental documents, Engineering

Agreements, Bid/Contract Documents, and Water and Wastewater System Plans and Specifications. He also assists with the management of LDHH's AWOP, performs on-site construction inspections, and assists with the implementation of DWRLF's Capacity Development program and Sanitary Survey initiative.



*Brian Baker P.E.
Project Engineer*

Brian Baker, has been an engineer for the State of Louisiana for 16 years. The first 13 years he served as a project engineer for the LDEQ in the Clean Water State Revolving Fund Program (CWSRF), before joining the DWRLF program he worked for two years at the Louisiana Department of Transportation as the Baton Rouge Districts Water Resources Engineer.

He currently serves as one of the Louisiana Department of Health and Hospitals (DHH), Office of Public Health (OPH), Project Engineers with the Drinking Water Revolving Loan Fund (DWRLF) Program.

Brian has been with the DWRLF for approximately 6 months. His experience with the CWSRF program has aided him in the transition to the new program. Along with his DWRLF duties as a project engineer he assists with the implementation of the DWRLF's Capacity Development program and Sanitary Survey initiative.

In December of 1993, Mr. Baker received his Bachelor of Science from Louisiana State University in Civil Engineering. He earned his Professional Engineering license in January 2001.



EUGENE BRADLEY
SANITARIAN

Eugene Bradley has served as the Sanitarian Program Coordinator for the Louisiana Office of Public Health Drinking Water Revolving Loan Fund Since July 16, 2001.

Mr. Bradley began working with the Office of Public Health as a parish sanitarian in Orleans Parish, eventually serving as the Sanitarian Parish Manager for St. Bernard Parish, and later jointly for both Madison & Tensas Parishes. This included work in various public health programs including but not limited to retail food, institutions, individual sewage, drinking water, and lead. While in St. Bernard Parish he served as the Animal Control Hearing Officer for the parish.

Mr. Bradley is a Registered Sanitarian in the State of Louisiana and holds a Bachelor of Science Degree from the University of Southern Mississippi.

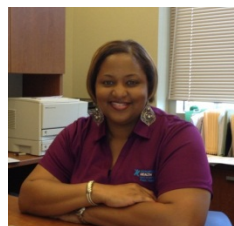


Julie Comeaux
Project Engineer

Julie has been with the Drinking Water Revolving Loan Fund (DWRLF) Program as a Project Engineer since 2002. She has been the state coordinator for the 2003, 2007, and 2011 Drinking Water Infrastructure Needs Survey. Julie oversees several projects using DWRLF monies and works to bring systems throughout the state into compliance with State and Federal regulations through the Capacity Development Program.

Before joining the DWRLF Program, Julie worked as a bookkeeper for 20 years. A mid-life evaluation prompted her to return to college to obtain a degree that would allow her to begin a new career.

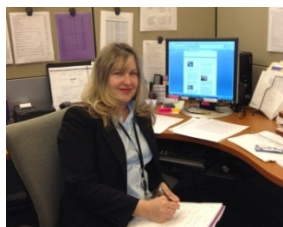
Julie received a Bachelor of Science Degree in Civil and Environmental Engineering in December 2001 from Louisiana State University at Baton Rouge. The majority of her course study dealt with Environmental Engineering. She is a registered Engineering Intern with the Louisiana Professional Engineering and Land Surveying Board and plans to obtain her Professional Engineering license in 2012.



Marlyce Kemp
Program Monitor

Marlyce has been a State of Louisiana employee for 16 years. Marlyce Kemp currently serves as the Louisiana Department of Health and Hospitals (DHH), Office of Public Health (OPH), Program Monitor of the Drinking Water Revolving Loan Fund (DWRLF) Program. She has been with the DWRLF for approximately 6 months. She processes DWRLF payment requests from water systems, reviews financial documents for compliance, and provides financial support where needed.

Prior to joining DWRLF, Marlyce worked in Department of Health and Hospitals, Financial Management Section for 5 years where she assisted with the preparation, development, and submission of the Annual Medicaid budget. Marlyce received her Bachelor of Science degree in Accounting from Southern University A&M in Baton Rouge, LA. She aspires to continue her education by obtaining her Master's in Business Administration.



Kathi Masinter

Administrative Program Specialist

Kathi Masinter began working for the Louisiana Office of Public Health Safe Drinking Water Program in July 2002. Ms. Masinter presently serves as the Administrative Program Specialist whose responsibilities include managing financial obligations within the Engineering Services Section, including Safe Drinking Water Grants, Contracts, Budget and Fee Collection.

Prior to coming to the Louisiana Safe Drinking Water Program, Ms. Masinter served as a banking officer for fifteen years with JP Morgan Chase, formerly Louisiana National Bank, which merged into Premier Bank and Bank One. Within the Correspondent Banking Department, Ms. Masinter worked with smaller banks in Louisiana by handling their daily cash position investing excess monies in federal funds.



***T. JAY RAY,
Project Coordinator***

T. Jay Ray retired as Manager of the Drinking Water Revolving Loan Fund (DWRLF) Program in January 2011. He returned in May to work part time as a Project Coordinator in the DWRLF Program.

Mr. Ray was previously employed as an Environmental Scientist assigned to the Public Water Supply Section in the U.S. EPA Region 6, Dallas Texas. Mr. Ray worked with the States of Louisiana and Oklahoma in the implementation of the Public Water Supply Supervision Program

and served as the DWSRF Coordinator assisting all of the Region 6 states in the establishment and implementation of the DWSRF. From 1986 to 1996, T. Jay Ray served as the Administrator of the Louisiana Safe Drinking Water Program. He also worked ten years in the Kansas City and Dallas EPA Regional Offices. Prior to employment with the EPA, T. Jay was Chief Chemist in charge of treatment for a 50 MGD surface water treatment facility in Lubbock, Texas.

He is also certified by EPA as a Microbiological Laboratory Certification Officer. Jay is a member of the American Water Works Association (AWWA), the Louisiana Public Health Association (LPHA) and the Louisiana Environmental Health Association (LEHA). Jay Ray has an M.S. Degree in Microbiology from Texas Tech. He has also attended Texas A&M University Short Courses and obtained 150 hours of Water Utilities Training, which enabled him to become a certified water and wastewater operator in the state of Texas.



***TOM GRIGGS
Engineer***

Tom Griggs currently serves in a part-time capacity in the Louisiana Department of Health and Hospitals (DHH), Office of Public Health (OPH), the Drinking Water Revolving Loan Fund (DWRLF) Program. Tom performs special projects and tasks as requested by the DWRLF program management. He is currently involved in a reorganization of the DWRLF project filing system and the conversion of the existing files to the new system.

Tom Griggs began his public service career in 1977 with the Department of Health and Human Resources (DHHR), the predecessor agency to the

current DHH, where he worked in the Construction Grants program, a program to provide federal assistance to municipalities for wastewater infrastructure projects. Tom later transferred from DHHR to the Department of Natural Resources, and eventually to the Department of Environmental Quality, all while continuing to work in the Construction Grants program. When the Construction Grants program was phased out and replaced with the Clean Water State Revolving Fund (CWSRF) program, Tom made the transition to the new program and became the manager of the Engineering section.

When the DWRLF program was authorized by Congress in 1996, Tom Griggs assisted the DHH staff with developing policies, procedures, guidance documents and regulations; and in conducting workshops for potential borrowers

and consulting engineers to get the new program operating as quickly as possible.

Tom served a four year term on the State-EPA Workgroup, in which both state and EPA members work together to resolve problems and develop policies for both the DWRLF and CWSRF programs. Tom retired from active state service in 2010 with 33 years of service, and began assisting the DWRLF program in 2011. Tom has a B.S. degree in mechanical engineering and is a registered engineer in both mechanical and environmental engineering.

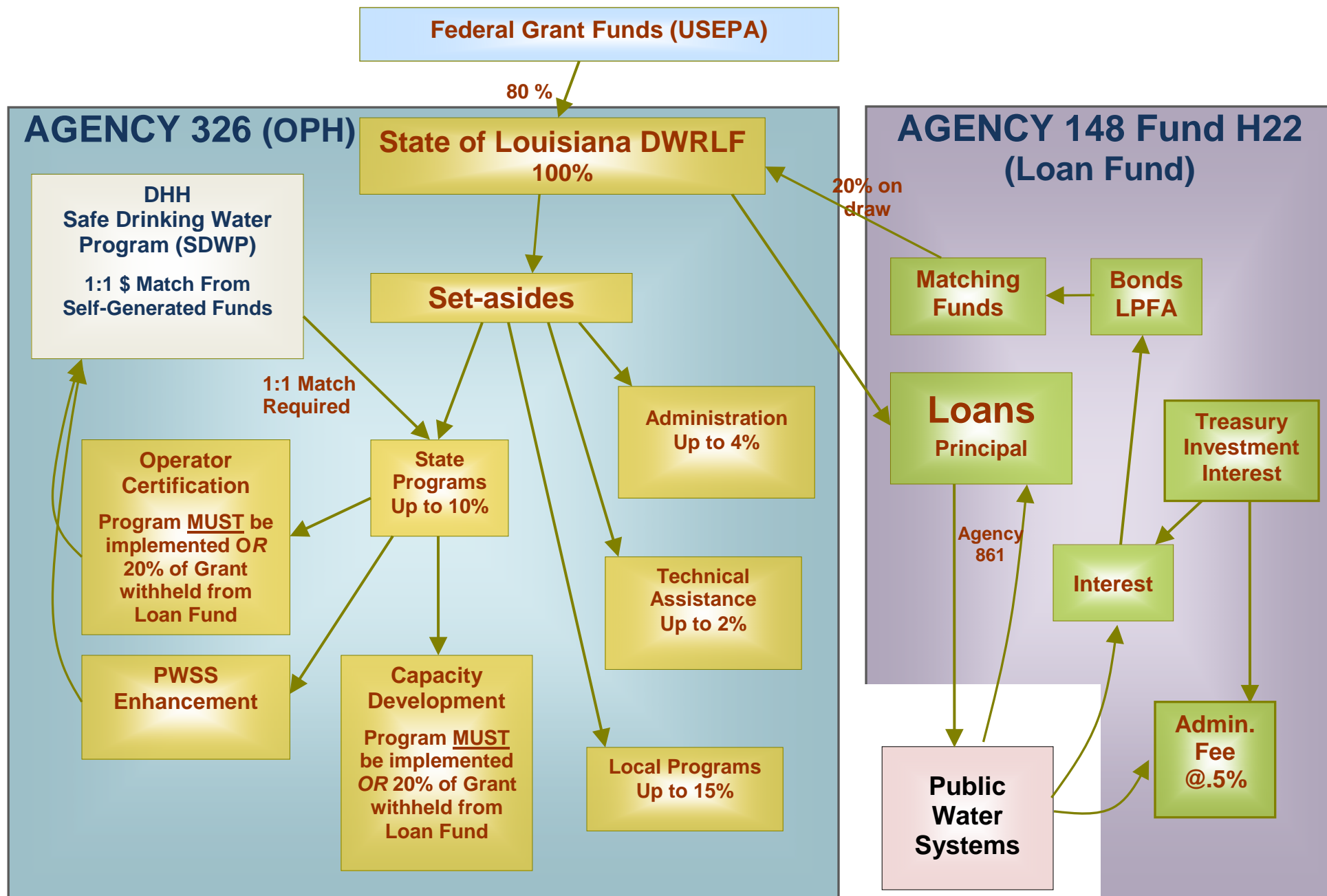


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INTRODUCTION

The Louisiana Department of Health and Hospitals, Office of Public Health (DHH-OPH) in compliance with the Environmental Protection Agency (the “EPA”) rules and regulations and federal grant requirements, herewith submit this Annual Report for the State’s fiscal year ending June 30, 2012 (reporting period July 1, 2011 through June 30, 2012 or SFY12). This report describes how the State of Louisiana has met the goals and objectives identified in its 2012 Intended Use Plan (IUP), work plans and grant agreements.

The Drinking Water Revolving Loan Fund (DWRLF) Program, within the Louisiana Department of Health and Hospitals (DHH), Office of Public Health (OPH) is responsible for the operations of the program in the State of Louisiana. DHH-OPH provides assistance to public water systems in many forms, which will be further described in this report.

This report consists of three main sections. The *Executive Summary* section provides an overview of the DWRLF program and the SFY 2012 activities. The next section addresses the *Goals and Objectives* the State of Louisiana identified in its 2012 Intended Use Plan and the steps that have been taken to meet these measures. The *Details of Activities* section provides information on the financial status of the program, the financial assistance provided during SFY 2012, and compliance with the EPA grant and operating agreement conditions.

The Annual Report is followed by a brief history of the DWRLF program and the DWRLF *Loan Portfolio*. The loan portfolio provides information on the interest rates, loan amounts, projects, and loan terms. The Exhibits follow the *Loan Portfolio* and are self explanatory.

EXECUTIVE SUMMARY

The Louisiana DWRLF Program was awarded one Environmental Protection Agency (EPA) capitalization grant during this reporting period. The amount of grant #FS99696814-0 awarded on March 16, 2012 was \$17,798,000. All federal funds are matched by the State of Louisiana with a letter of credit like instrument consisting of authorization of the State Bond Commission to issue Revenue Bonds. In compliance with Federal guidelines, as Louisiana draws federal funds into the State Drinking Water Revolving Loan Fund (DWRLF), the appropriate amount of State Match is simultaneously deposited into the DWRLF. During SFY 2012, \$1,476,905 of state match was deposited into the fund.

DWRLF Loans

Six binding commitments totaling \$18,290,000 were executed during this reporting period. A breakdown of the binding commitments made during SFY 2012 is detailed in Exhibit I. On a cumulative basis, (excluding expired binding commitments) the DWRLF has obligated a total of seventy-eight binding commitments with face values totaling \$223,713,220. A brief description of each project can be found in the loan portfolio section. Seven loans totaling \$26,290,000 were awarded during the reporting period. Exhibit II depicts the Needs Categories and the loans closed this reporting period. Loan disbursements of \$16,232,612 from the base program and \$6,817,429 from the ARRA program were made to the various recipients during this fiscal year. See Exhibits IIIA & IIIB for a breakdown of loan disbursements during SFY 2012.

Since the program was initiated in SFY 1999, 105 loans have been awarded. The projects associated with 67 loans are fully constructed or complete and in operation. Nine projects initiated operations this past year: City of

Springhill, Morgan City, Pollock, Westlake #2, Southwest Allen Parish WWD #2, Kolin Ruby Wise Water District # 11, Town of Walker, Livingston Parish Ward 2 Loan #3, and DeSoto Parish WWD #1, Loan #2.

The DWRLF program forms are updated as necessary by staff. These forms are designed to satisfy two goals: (1) to assure compliance with the Federal guidelines and (2) to expedite the submission and review process of the program. The loan application incorporates the Capacity Development Business Plan Package for managerial and financial capacity. The Safe Drinking Water Act requires that a public water system applying for a Drinking Water Revolving Loan Fund loan must demonstrate that it has the financial, managerial and technical capacity to operate its system in full compliance with the Act. The System Improvement Plan serves as compliance for the technical portion of the Capacity review for loan applicants. All DWRLF forms are available upon request from program staff.

Assistance to Small Systems

A requirement of the 40 CFR 35.3525 (a) (5) is to use at least 15% of the amount available for assistance from the fund to provide assistance to communities with populations less than 10,000, to the extent such funds can be obligated for eligible projects. In SFY 2012 four of the binding commitments were made to small systems serving fewer than 10,000. However, since the inception of the program \$76,202,220 (34 percent of the amount available for assistance from the fund) of the binding commitments (excluding expired binding commitments) was made to systems serving less than 10,000. (See Table 2 and Figure 1.) Figure 2 depicts the binding commitments awarded to small systems annually in SFY 2000 through 2012.

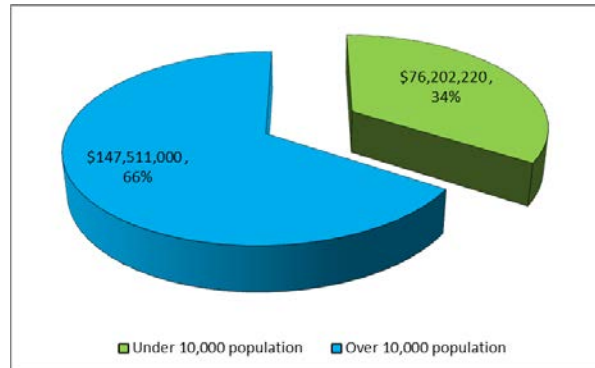
Assistance to Privately Owned Systems

Louisiana has loaned funds to both governmentally owned and privately owned water systems. Figure 3 depicts those systems receiving loan awards which are privately owned.

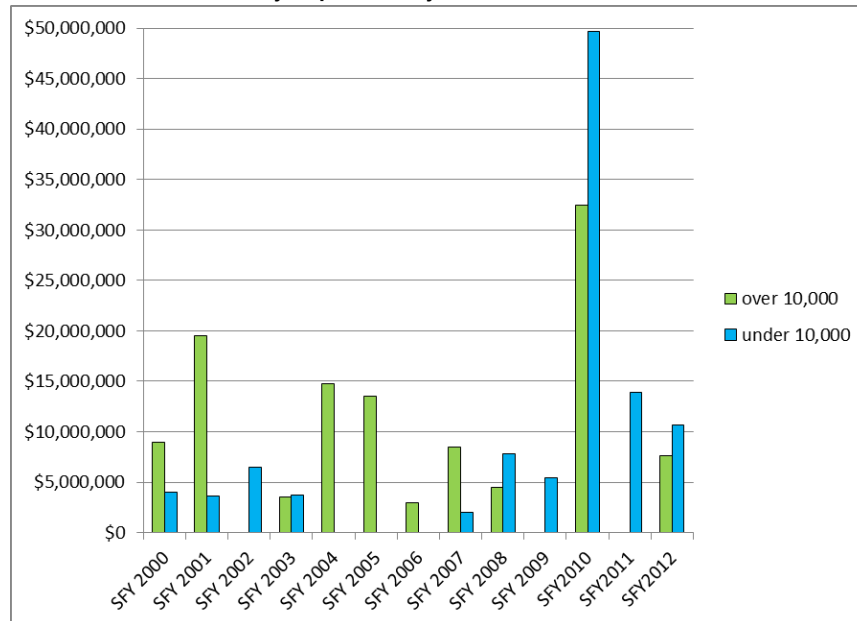
Table 2

PROJECTS SERVING UNDER 10,000	POPULATION	Binding Com. Award	Percentage of DWRLF Funds	PROJECTS SERVING OVER 10,000	POPULATION	Binding Com. Award	Percentage of DWRLF Funds
Town of Church Point	6,000	\$2,500,000		Ward 2, Water Dist., Livingston Parish #1	18,000	\$9,000,000	
City of Oakdale	6,832	\$1,500,000		Shreveport #1	201,568	\$7,000,000	
Town of Many #1	3,600	\$1,000,000		Shreveport #2	201,568	\$7,000,000	
Town of Many #2	3,600	\$1,100,000		Shreveport #3	201,568	\$5,540,000	
Town of Many #3	3,600	\$1,500,000		Natchitoches	17,141	\$3,500,000	
Town of Baldwin	2,400	\$1,250,000		Lafayette Parish WW District North	12,000	\$2,800,000	
West Winnsboro	1,854	\$747,100		Ascension Water Co.	36,500	\$6,000,000	
Village of Quitman	246	\$480,000		New Iberia-LAWCO	48,000	\$6,000,000	
DeSoto Parish WWD #1	5,000	\$2,350,000		Ward 2, Water Dist., Livingston Parish #2	18,000	\$6,000,000	
Colyell Comm. WS	2,250	\$948,600		Lafayette Parish WW District North #2	12,000	\$0	
Culbertson WS, Inc.	2,640	\$669,000		Monroe	73,250	\$3,000,000	
Westlake, City of	6,000	\$3,750,000		Springhill	10,300	\$7,500,000	
French Settlement	2,134	\$1,000,000		Ascension Water Co. #2	36,500	\$5,000,000	
Savoy Swords	7,840	\$1,000,000		New Iberia-LAWCO #2	48,000	\$3,500,000	
Town of Slaughter	1,568	\$1,355,000		Buckeye #1	12,407	\$500,000	
Town of Slaughter #2	1568	\$842,400		City of Ruston #1A & B	20,667	\$4,000,000	
Town of Slaughter #3	1568	\$157,600		Buckeye #2	12,407	\$1,142,000	
Point Wilhite	2,200	\$925,000		Shreveport #4 A & B	201,568	\$11,000,000	
Gardner	4,155	\$1,246,000		Morgan City Series A, B, W	11,732	\$4,000,000	
Fifth Ward Water System	3,870	\$0		City of Bogalusa -1A & B	13,365	\$5,000,000	
West Winnsboro #2	1,854	\$500,000		City of Baker - 1A	15,891	\$4,200,000	
Town of Franklin	8,354	\$2,400,000		City of Alexandria - 1A & B	60,000	\$4,390,000	
Rapides Island	5,838	\$0		United Water System, Inc. #2A & B	12,039	\$952,000	
United Water System, Inc.	4,880	\$400,000		Town of Blanchard Loan 1A & B	12,000	\$3,657,000	
Colyell Comm. WS Loan 2	2,640	\$900,000		City of Thibodaux 1A & B	14,431	\$6,400,000	
Natchitoches WWD #2 Loan 1	7,300	\$ 3,500,000		Town of Walker 1A & B	12,039	\$520,000	
Natchitoches WWD #2 Loan 2	7,300	\$1,003,000		City of Natchitoches 2A & B	17,200	\$5,000,000	
Calcasieu WWD #8 1,2, & 3	9,028	\$850,000		New Orleans Sewerage & Water Board 1A & B	302,191	\$3,400,000	
Iberville Parish WWD #2-Loan 1A & B	6,726	\$3,250,000		Ward 2, Loan #3	18,000	\$4,000,000	
Savoy Swords Water System, Inc. #2A &B	9,450	\$886,000		Consolidated WWD#1 of Terrebonne	75,000	\$1,900,000	
Town of Pollock - 1A & B	2,500	\$530,000		Ward 2, Loan #4	18,000	\$8,000,000	
City of Westlake Loan 2A &B	4,573	\$2,900,000		City of Alexandria - 2	60,000	\$7,610,000	
East Allen Parish WWD 1A & B	3,900	\$1,285,000					
Southwest Allen Parish WWD2-1A & B	7,500	\$995,000					
Kolin Ruby Wise Water District No. 11-1A & B	4,100	\$550,000					
DeSoto Parish WWD #1 Loan 2A & B	5,985	\$2,360,000					
City of Ville Platte Loan 1A & B	9,310	\$4,050,000					
Bayou Des Cannes Water System, Inc. #1A & B	6,050	\$2,222,520					
ACUD#1A & B	2,500	\$1,000,000					
City of Mansfield 1A & B	7,083	\$4,120,000					
Town of Delhi	4,071	\$7,500,000					
City of Mansfield 2	7,083	\$1,550,000					
Avoyelles	2,550	\$1,550,000					
Mansfield #3	7,083	\$3,280,000					
Winnfield	4,794	\$2,500,000					
Pearl River	2,506	\$1,800,000					
Total		\$76,202,220	34.06%	Total		\$147,511,000	65.94%
Total Binding Commitments			\$223,713,220				

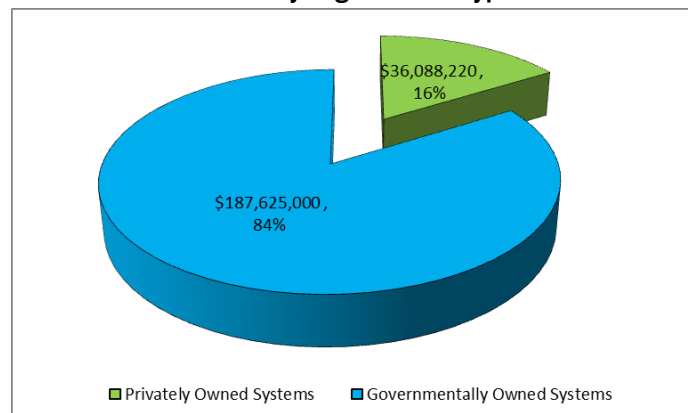
**Figure 1 – Binding Commitments
By Population**



**Figure 2 – Binding Commitments
By Population by State Fiscal Year**



**Figure 3
Loans by Organization Type**



Interest Rates

The Secretary of the Department of Health and Hospitals is responsible for setting the interest rate for the DWRLF program. In determining the rate, the Secretary entertains recommendations from the DWRLF staff. During the Spring of 2009 with the enactment of the American Recovery and Reinvestment Act of 2009 (ARRA), the staff recommended the Secretary drop the interest rate .5%. He concurred with the recommendation resulting in the current rate of 2.95% interest and .5% administrative fee for a total effective annual rate of 3.45%. In determining when to make recommendations to the Secretary, the DWRLF staff members remain alert and cognizant of the market rates as well as the solvency of the fund to remain competitive and in compliance. Staff is in contact with the responsible parties of water systems on a continual basis. They inquire about the market rates that are available to water systems from all sources. Their responses have ranged from 4% to 12% with variables such as credit worthiness, corporate structure, size, existing debt, etc. as the reasons for the variations. DWRLF staff members also attend the monthly State Bond Commission meetings to glean the market rates of bond issuances for similar type projects. And finally, the DWRLF has a contractual relationship with bond attorneys and financial advisors who regularly provide advice regarding the current market rates and make recommendations therein. As a result, the rates are reviewed monthly. The recommendation to lower the rate was due to the direct impact of the ARRA funds which required no state match.

An administrative fee of 0.5% is assessed on all outstanding loan balances. These fees are held outside of the federal SRF in the Administrative Fee Fund for perpetuity purposes.

Repayments

Seventy-five loans are currently in repayment. Principal repayments equaled \$6,991,114 for SFY 2012. Exhibit IV depicts these loan principal repayments. At the close of SFY12, eleven loans had been completely repaid: Many #1, Many #2, Slaughter #3, West Winnsboro #1, Natchitoches WWD #2 – Bond Anticipation Note, ACUD 1A, Alexandria 1A, Town of Pollock-A & B, Southwest Allen Parish WWD #2-A, and Town of Walker-A.

Set-Aside Activities

The Safe Drinking Water Act authorizes states to set aside funding for certain non-project activities, provided that the amount of that funding does not exceed certain ceilings. Unused set-aside funds are banked for future use, where allowable, or transferred to the project loan account at the discretion of the State and with concurrence from EPA Regional Administrator. EPA issued a white paper which gives direction to states for managing the set-asides in February 1999. The term “banking” was replaced with “unspecified”. In its annual intended use plan submitted with its grant application, Louisiana is required to “specify” the amount of set-aside funds it plans to spend, “unspecify” the funds it plans to use in the future, and then deposit the “unspecified” funds into the loan fund for current loan projects. Exhibit V is the most recent Set-Aside Chart detailing the amounts specified and unspecified for each set-aside from each grant to date. Louisiana utilizes the first in first out method in spending the specified set-aside funds. This means that the oldest grant funds are spent first as activities take place and expenses are actually paid.

The set-aside activities for which the funds have been specified are explained in detail in the workplan associated with each grant award. Funds for set-aside activities cannot be drawn from the grant until these workplans are approved by the Regional EPA staff.

The workplans associated with each grant list specific activities to be accomplished in order to achieve the goal of each set-aside activity. These workplans also list deliverables and provide for outcome measures of the actual activities planned. The state is required to submit a Biennial Report describing how it has met the goals and objectives of the previous two fiscal years as listed in the Intended Use Plans. Louisiana has opted to perform this task annually. Following are the descriptions of how Louisiana has met its goals and objectives for its specified set-asides.

Administration

The Safe Drinking Water Act allows a state to use up to four per cent of its allotment to cover the costs of administering the program. The Act also affirms that states do not need to submit workplans for the Administration set-aside; however, Louisiana prefers to explain the activities it plans to pay for with the set-aside funds.

OPH is responsible for the administration and implementation of the DWRLF Program, which includes the loan and set-aside programs. All personnel activities are conducted under the administrative function. This includes the securing of needed positions from the State Civil Service system, advertising for the positions, interviewing, hiring, and performing all required Civil Service steps to ultimately bring personnel on board. Administrative staff members also prepare Requests for Proposals (RFPs) and review proposals for contracts that are needed to implement the loan program and various set-aside activities.

A portion of the engineers' time is charged to the administration of the program. Most of this time is spent on engineering document review and approval that is not considered a Safe Drinking Water Program Activity. During this fiscal year, the engineers conducted activities associated

with review of six system improvement plans for the program.

Annual planning for individual personnel and evaluation of personnel performance are strict requirements of the State Civil Service system. Another part of the administrative function involves the securing of State Match for the program. The research required to explore various options along with the coordination of key people is critical to succeed in securing the State Match. Budget preparation for the State is accomplished under the Administrative section of the program. In addition, the Administrative staff is responsible for the promotion of the program. This involves time-consuming activities of preparing promotional items, display items, and coordinating personnel to work in the booth at various functions as described in the goals section of this report. The administrative personnel are also responsible for all correspondence from the program staff, correspondence with loan recipients, and potential loan recipients. This includes the negotiation process of determining collateral for the recipients and meetings with potential recipients to explain the process. The administrative personnel are also responsible for all correspondence with EPA, i.e. Intended Use Plan, Grant Applications, workplans, Grant Amendments, Annual Reports, Annual Reviews, Needs Survey, and Drinking Water National Information Management System. Effort is also expended in monthly meetings with DHH personnel for review of project status.

DHH possesses a contract with bond attorneys to secure the State Match through a bond issuance. During SFY06, the DWRLF obtained approval from the State Bond Commission to sell up to \$7,300,000 in bonds to obtain the state matching funds for the EPA Capitalization Grants. During SFY2009, this cap was amended twice, raising it to \$13,300,000. In May, 2010 this cap was raised once again by \$5,000,000. During this fiscal year it was raised by \$10,000,000. At

this time the bonds are authorized up to \$28,300,000. The bonds are structured as a non-revolving line of credit secured by the revenue of the Fund. The terms allow for a 10-year amortization with an interest rate of 0.5 point above LIBOR (London Inter-Bank Offer Rate). LIBOR rates are published interest rate quotes available daily on an international basis. Unlike US Prime Rate which can refer to numerous different bank or Wall-Street published indices, LIBOR is a single rate published for different periods such as 1 month LIBOR or 3 month LIBOR. LIBOR rates are currently much lower than US Prime rates. In negotiating with banks for the most optimal interest rates, the banks have selected LIBOR rates and it is they who loan the money and set the terms. Bond counsel advises that the LIBOR rate formula is a reliable formula and encourages us not to object to a LIBOR plus points interest rate when it is a lesser interest rate than a US Prime Rate based

rate. The state sold \$1,500,000 of the bonds during this reporting period to satisfy the requirements of depositing matching funds into the Fund as Federal funds are drawn from the ACH.

In summary, specific activities funded from this set-aside include the following:

Salaries
Benefits
Travel
Operating Services
Contractual Services
Supplies

During SFY 2012 \$377,414 was expended for administrative expenses. Table 3 depicts the current and cumulative status of the Administration Set-Aside.

Table 3						
Administration Set-Aside						
Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Amount Available
1997	FS-9969801	\$816,812	\$700,403	\$116,409	\$700,403	\$0
1998	FS-9969802	\$397,968	\$397,968	\$116,409	\$397,968	\$0
1999	FS-9969803	\$417,108	\$415,737	\$117,780	\$415,737	\$0
2000	FS-9969804	\$433,496	\$425,511	\$125,765	\$425,511	\$0
2001 & 2002	FS-9969805	\$757,392	\$0	\$883,157	\$0	\$0
2003	FS-9969806	\$320,164	\$290,000	\$913,321	\$290,000	\$0
2004	FS-9969807	\$332,124	\$400,000	\$845,445	\$400,000	\$0
2005	FS-9969808	\$331,420	\$230,000	\$946,865	\$230,000	\$0
2006	FS-9969809	\$466,344	\$0	\$1,413,209	\$0	\$0
2007	FS-9969810	\$466,360	\$0	\$1,879,569	\$0	\$0
2008	FS-9969811	\$461,600	\$500,000	\$1,841,169	\$500,000	\$0
ARRA	2F-96692001	\$1,105,040	\$315,000	\$2,631,209	\$148,410	\$166,590
2009	FS-9969812	\$461,600	\$600,000	\$2,492,809	\$600,000	\$0
2010	FS-9969813	\$1,025,960	\$525,000	\$2,993,769	\$449,615	\$75,385
2011	FS-9969814	\$711,920	\$450,000	\$3,255,689	\$0	\$450,000
	Totals	\$8,505,308	\$5,249,619		\$4,557,644	\$691,975

Small System Technical Assistance

The Safe Drinking Water Act allows a state to use up to two per cent of its allotment to cover the costs of providing technical assistance to small systems (systems serving under 10,000 population). During this reporting period, 341

small water systems were provided technical assistance and/or training.

During SFY 2012 \$132,956 was expended for small system technical assistance expenses. Table 4 depicts the current and cumulative status of the Small System Technical Assistance Set-Aside.

Table 4						
Small System Technical Assistance Set-Aside						
Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Amount Available
1997	FS-9969801	\$408,406	\$168,100	\$240,306	\$168,100	\$0
1998	FS-9969802	\$198,984	\$161,100	\$278,190	\$161,100	\$0
1999	FS-9969803	\$208,554	\$161,100	\$325,644	\$161,100	\$0
2000	FS-9969804	\$216,748	\$161,100	\$381,292	\$161,100	\$0
2001 & 2002	FS-9969805	\$378,696	\$0	\$759,988	\$0	\$0
2003	FS-9969806	\$160,082	\$170,000	\$750,070	\$170,000	\$0
2004	FS-9969807	\$166,062	\$170,000	\$746,132	\$170,000	\$0
2005	FS-9969808	\$165,710	\$185,000	\$726,842	\$185,000	\$0
2006	FS-9969809	\$233,172	\$236,662	\$723,352	\$236,662	\$0
2007	FS-9969810	\$233,180	\$236,662	\$719,870	\$236,662	\$0
2008	FS-9969811	\$230,800	\$200,000	\$750,670	\$200,000	\$0
ARRA	2F-96692001	\$552,520	\$0	\$1,303,190	\$0	\$0
2009	FS-9969812	\$230,800	\$0	\$1,533,990	\$0	\$0
2010	FS-9969813	\$512,980	\$100,000	\$1,946,970	\$100,000	\$0
2011	FS-9969814	\$355,960	\$100,000	\$2,202,930	\$60,691	\$39,309
	Totals	\$4,252,654	\$2,049,724		\$2,010,415	\$39,309

State Programs

The Safe Drinking Water Act allows a state to use up to ten per cent of its allotment to cover the costs of administering certain programs. In its Intended Use Plan, the State of Louisiana outlined three major programs to be funded utilizing the state program set-aside funds.

These programs were the Public Water Supply Supervision Program, Operator Certification Program, and Capacity Development Program.

During SFY 2012 \$1,957,617 was expended for state program expenses. Table 5 depicts the current and cumulative status of the State Program Set-Aside.

Table 5						
State Programs Set-Aside						
Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Amount Available
1997	FS-9969801	\$2,042,030	\$1,396,523	\$645,507	\$1,396,523	\$0
1998	FS-9969802	\$994,920	\$994,920	\$645,507	\$994,920	\$0
1999	FS-9969803	\$1,042,770	\$968,406	\$719,871	\$968,406	\$0
2000	FS-9969804	\$1,083,740	\$484,215	\$1,319,396	\$484,215	\$0
2001 & 2002	FS-9969805	\$1,893,480	\$0	\$3,212,876	\$0	\$0
2003	FS-9969806	\$800,410	\$840,000	\$3,173,286	\$840,000	\$0
2004	FS-9969807	\$830,310	\$900,000	\$3,103,596	\$900,000	\$0
2005	FS-9969808	\$828,550	\$750,000	\$3,182,146	\$750,000	\$0
2006	FS-9969809	\$1,165,860	\$1,275,000	\$3,073,006	\$1,275,000	\$0
2007	FS-9969810	\$1,165,900	\$0	\$4,238,906	\$0	\$0
2008	FS-9969811	\$1,154,000	\$1,300,000	\$4,092,906	\$1,300,000	\$0
2009	ARRA	\$2,762,600	\$0	\$6,855,506	0	\$0
2009	FS-9969812	\$1,154,000	\$1,300,000	\$6,709,506	\$1,300,000	\$0
2010	FS-9969813	\$2,564,900	\$1,800,000	\$7,474,406	\$1,800,000	\$0
2011	FS-9969814	\$1,779,800	\$1,600,000	\$7,654,206	\$451,602	\$1,148,398
	Totals	\$21,263,270	\$13,609,064		\$12,460,666	\$1,148,398

Public Water Supply Supervision Program

During this fiscal year, one vacant Engineer position was able to be filled. The DWRLF Engineering staff reviewed 43 sets of plans and specifications for DWRLF loan projects during this fiscal year, adhering to a thirty-day turnaround goal. Following is a list of the systems for which DWRLF reviewed plans and specifications:

City of Alexandria Water System – Loan 1
City of Alexandria Water System – Loan 2
Avoyelles Parish Ward 1 Water System – Loan 1
City of Baker Water System – Loan 1
Beauregard Parish Waterworks District No. 3 – Loan 1
East Allen Parish Waterworks District – Loan 1
City of Ruston Water System – Loan 1
Town of Walker Water System – Loan 1

City of Bogalusa Water System – Loan 1
City of Morgan City Water System – Loan 1
Savoy Swords Water System – Loan 1
United Water System – Loan 2
Ward 2 Livingston Parish Water District – Loan 4
Mount Hermon Water District – Loan 1
South Vernon Water System – Loan 1
Town of Delhi Water System – Loan 2
City of Ville Platte Water System – Loan 2
Village of Loreauville Water System – Loan 1
Town of Blanchard Water System – Loan 2
Town of Lutchter Water System – Loan 1
New Orleans Sewerage and Water Board – Loan 2
Town of Pearl River Water System – Loan 1
City of Winnfield Water System – Loan 1

There was 1 set of plans and specifications reviewed by DWRLF Engineers for new systems

applying for permits through DWRLF's Capacity Development program.

Little Kahuna Waterpark Water System

The DWRLF Engineering staff also provided training as well as other related services to many of Louisiana's Public Water Systems (PWSs) as requested by various training providers throughout the State. DWRLF Engineers performed sanitary surveys of PWSs as deemed necessary in order to meet the needs of the PWS. DWRLF Engineers provided technical assistance to PWSs by responding to their requests for information such as general water system information, loan information (not necessarily DWRLF), operator certification guidance, management training information, treatment process guidance, addressing general public health concerns, Operations and Maintenance (O&M) Manual guidance, etc. DWRLF Engineers participated in all ongoing 2011 Drinking Water Infrastructure Needs Survey events at the state and national level. DWRLF Engineers assisted and participated in administering the operator certification examinations at the end of multiple training events provided by approved trainers.

The DWRLF Engineers participated in Louisiana's Area Wide Optimization Program (AWOP). A contract was continued thru DWRLF to supply a Technical Assistance Provider for Louisiana's AWOP. Julie LeBlanc, P.E., continued her contract as LA AWOP's Technical Assistance Provider and provided professional engineering services to assist LA AWOP with providing AWOP activities to Louisiana's 59 surface water systems that serve nearly half of Louisiana's population. The goal of the program is to optimize particle removal and minimize disinfection by-product (DBP) formation at existing surface water treatment plants (SWTPs) in order to achieve higher quality finished water and maximize public health protection. The program follows the Comprehensive Composite

Program (CCP), an approach that features two main phases that include a system evaluation phase known as Comprehensive Performance Evaluation (CPE) and a technical assistance phase known as Performance Based Training (PBT).

Prior to the current fiscal year (FY12), 36 Comprehensive Performance Evaluations (CPEs) and 4 turbidity-based Performance-Based Training (PBTs) had been conducted in Louisiana since AWOP's inception in Louisiana in 1995. The most recent (4th) turbidity-based PBT series consisted of five (5) PBT Training Sessions involving six (6) SWTPs from northern Louisiana and occurred between June 2008 and May 2009. DWRLF staff served as Facilitators in this EPA Region 6/EPA Technical Support Center (TSC)-sponsored training series. Several other AWOP achievements were made during the current fiscal year (FY12) including the compilation of the draft FY11 SWTP Turbidity Plant Ranking, routine attendance offering Louisiana AWOP representation at Quarterly EPA Region 6 Multi-State AWOP Meetings located in various locations around EPA Region 6, and hosting of LDHH Central Office, District, and Regional level Louisiana AWOP meetings in order to determine future AWOP activities and needs. DWRLF staff participated in a Data Integrity Field Event and Workshop in Austin, TX in October 2011. Additionally, DWRLF staff took the lead in site selection in June 2012 for an upcoming Region 6 AWOP field event to be hosted in Louisiana. The workshop will demonstrate an Extended Terminal Subfluidization Wash (ETSW) that has the potential to provide improved filter performance. A 6th Louisiana AWOP Summary Report that will track Louisiana AWOP activities and SWTP performance trends at all 59 SWTPs across the state from FY09 through FY11 has been drafted. Additionally, Louisiana AWOP has been developing a Disinfection By-Product (DBP) Technical Assistance Program. DBP sample testing equipment, including a Hach DR-2800 Spectrophotometer and associated lab

equipment, have been ordered and received, with equipment precision and demonstration studies having been completed on-site at the State Lab in Metairie in association with a volunteer water treatment plant. A SWTP DBP Plant Ranking has been established and is currently in the process of being populated for further development/involvement this upcoming year.

The Data Management position is monitoring the statewide chemical drinking water sampling program as well as implementing the SDWIS/State. These activities include overseeing TCR compliance determination by district offices via SDWIS/State non-comp process; assisting regions/districts with data entry SOP, SDWIS training, sample entry; providing/coordinating ongoing training for SDWIS users; and assisting compliance officers with development and implementation of SDWIS to accommodate oversight of primacy requirements.

The Geologist position continues to compile and interpret the hydro geological information relative to Louisiana aquifers. This includes such activities as developing and maintaining interagency relationships to promote and support the Drinking Water Program as well as maintaining a statewide water well database.

The DWRLF provided another position in the PWSS Program to assist the Enforcement Program. This position issues Administrative Orders, resends Administrative Orders and provides assistance in tackling technical enforcement issues. This position was vacated and subsequently lost due to budget cuts during SFY2009.

Capacity Development

The Environmental Protection Agency (EPA) has developed a strategic plan to express clear and measurable environmental and public health goals for clean and safe water. The strategy

related to the drinking water program has specific objectives for demonstrating improvements in public health. The objectives that express public health improvements by 2012, and the status of Louisiana Department of Health and Hospitals (LDHH) in this effort, are as follows:

The capacity development program is an essential program to assist LDHH in meeting the Program Activity Measure (PAM) objectives. The capacity development program addresses compliance goals by helping to ensure that public water systems have technical, managerial, and financial capacity with respect to each National Primary Drinking Water Regulation. The capacity development program consists of a new system program, to ensure compliance and long term system viability, and an existing system strategy to ensure and improve system capacity, as well as a loan system strategy to ensure viability and creditworthiness of the entity. DHH has entered into contracts with technical assistance providers to assist with the implementation of the program. Once systems are assessed and problem areas identified, the technical assistance providers can assist the systems with solving the problems on a personal, on-site level. Each of the following strategies lists the activities accomplished during the fiscal year.

New Systems – During this reporting period there were 2 new systems that applied for permits to operate and construct.

Existing Systems – During this reporting period, public systems were selected for assessment under the Capacity Development program. Sanitary surveys were performed on those who had not undergone a survey within the last year. Additionally, the Capacity Development Questionnaire Assessment was completed on all of these systems.

Loan Systems – During this reporting period, the Town of Pearl River, City of Winnfield, City of Mansfield loan 2 & 3, Mount Hermon WWD, North Franklin Water System, South Vernon Water System, Town of Lutchter, and Village of Mermentau submitted business plans or updated previous plans submitted and were approved by the Capacity Development staff.

Management Training – Louisiana currently has two technical assistance providers (Louisiana Rural Water Association and Community Resource Group) that conduct management training sessions across the state. Additionally, Louisiana Rural Water Association continues to offer training at its annual conference each July in Alexandria, Louisiana.

Operator Certification

Operator Certification activities were not funded by the DWRLF grant during SFY12.

Local Programs

The Safe Drinking Water Act allows a state to use up to 15 per cent of its allotment to cover the costs of local programs. No more than 10 per cent of the capitalization grant amount can be used for any one authorized activity. This set-aside is also restricted from “banking” the funds. Consequently, funds specified for this set-aside must be spent during the four year budget period; any excess must be deposited into the loan fund. In its Intended Use Plan, Louisiana planned to use this set aside for capacity development activities. During SFY 2012 \$130,165 was expended for local program expenses. Table 6 depicts the current and cumulative status of the Local Program Set-Aside.

Table 6						
Local Programs Set-Aside						
Grant Year	Grant #	Reserved	Specified	Unspecified (cumulative)	Expended	Specified Amount Available
1997	FS-9969801	\$2,042,030	\$2,042,030	N/A	\$2,042,030	\$0
1998	FS-9969802	\$0	\$0	N/A	\$0	\$0
1999	FS-9969803	\$97,684	\$97,684	N/A	\$97,684	\$0
2000	FS-9969804	\$0	\$0	N/A	\$0	\$0
2001 & 2002	FS-9969805	\$0	\$0	N/A	\$0	\$0
2003	FS-9969806	\$11,487	\$11,487	N/A	\$11,487	\$0
2004	FS-9969807	\$0	\$0	N/A	\$0	\$0
2005	FS-9969808	\$0	\$0	N/A	\$0	\$0
2006	FS-9969809	\$0	\$0	N/A	\$0	\$0
2007	FS-9969810	\$0	\$0	N/A	\$0	\$0
2008	FS-9969811	\$0	\$0	N/A	\$0	\$0
2009	ARRA	\$0	\$0	N/A	\$0	\$0
2009	FS-9969812	\$0	\$0	N/A	\$0	\$0
2010	FS-9969813	\$0	\$0	N/A	\$0	\$0
2011	FS-9969814	\$415,000	\$415,000	N/A	\$130,165	\$284,835
Totals		\$2,566,201	\$2,566,201		\$2,281,366	\$284,835

GOALS AND OBJECTIVES

The following goals were developed for the SFY 2012 Intended Use Plan. The short-term goals support the implementation of the program's long-term goals. The long-term goals provide a framework that guides management decisions for the Drinking Water Revolving Loan Fund Program.

Short-Term Goals

Goal 1. It is anticipated that approximately 6 binding commitments will be entered into by the end of State fiscal year (SFY) 2012.

During SFY12, Louisiana entered into 6 binding commitments with 5 water systems. None of these were listed on the Fundable List; however, they were on the Comprehensive List. As of June 30, 2012, Louisiana has entered into 78 binding commitments (excluding expired binding commitments) with 51 systems equal to \$223,713,220. The State of Louisiana has assisted and will continue to assist public water systems in procuring loans for eligible project work. Some of the systems in the IUP are in the process of obtaining financing from other sources such as the Rural Utilities Service or the sale of their bonds to private parties. As these projects are identified, they will be by-passed in accordance with the by-pass procedures described in the Intended Use Plan. In addition, any projects not progressing or accomplishing the loan process requirements are notified and subsequently by-passed to allow those systems that are "ready to proceed" access to funds.

Goal 2. Louisiana hopes to close 7 loans totaling approximately \$33,209,640 during SFY 2012. The population total for these projects is approximately 117,648.

Louisiana closed 7 loans in SFY2012 totaling \$26,290,000. The population total for these projects is approximately 102,016. This did not meet our goal; however, the other loans we had

hoped to close are still working through the process and should close in SFY2013.

Goal 3. Louisiana intends to maintain our fund utilization rate at 85%.

Louisiana increased its pace during SFY2012 with regard to draws and binding commitments. Line 419 of the Drinking Water National Information System indicated the Assistance provided as a Percentage of Funds Available to be 88.7% for SFY2012. Therefore, LA exceeded its goal.

Goal 4. To provide at least 15% of DWRLF loan funds to assist public water systems which regularly serve fewer than 10,000 persons to the extent that there are sufficient projects eligible and ready to receive such assistance.

The majority of the projects listed on the Comprehensive List are systems serving a population of less than 10,000 persons on a regular basis. As is depicted in Figures 1 and 2, the State of Louisiana is currently providing approximately 34% of the DWRLF available loan funds to systems of this size at the close of the fiscal year ended June 30, 2012.

Goal 5. To promote the benefits of the program to as many water systems as possible, in an attempt to assure equitable distribution of available financing resources.

In order to promote the program, several staff members attend and distribute information on the program to interested parties at the Louisiana Municipal Association's annual convention, the Louisiana Police Jury Association's annual convention, the Louisiana Rural Water Association's Annual Training & Technical Conference, the Louisiana Conference on Water, Wastewater and Industrial Waste and the Environmental Regulatory Compliance

Conference. Additionally, we perform mail-outs to systems on our public water system inventory and to engineers across the state, distributing information for their participation. We are also allowed space in the Safe Drinking Water newsletter *The Water Funnel*. We also provide pictures and articles for the Louisiana Rural Water Association's quarterly magazine. From these contacts, we set up meetings with individual system decision makers to provide additional information on a more personal level of contact. The DWRLF staff is often invited to participate as presenters in many training sessions across the state. Our normal procedure is to accept these opportunities to present the requested information and also promote the loan program.

Goal 6. Apply for FFY12 capitalization grant before the close of state fiscal year 2012.

The DWRLF submitted its application prior to the end of SFY12 and was awarded the grant shortly after the close of SFY, thereby meeting its goal.

Goal 7. To provide expedited financial aid to those systems qualifying as emergency projects or disadvantaged community systems.

Louisiana added this goal by amending its SFY2006 IUP shortly after Hurricanes Katrina and Rita struck the Louisiana Coast. To date, no projects have been included under either category.

Goal 8. Work with the financial services firm of PFM to develop a framework for leveraging the DWRLF because of the pending increase in demand for program monies.

During SFY 2012, the DWRLF made little progress with leveraging the program. Although the pace of the program increased, there is no immediate need to leverage. It is still the desire of the DWRLF staff to have the mechanism in

place, but the current economic climate prohibits such considerations.

Goal 9. Continue to partner with other funding agencies by jointly funding projects to assist public water systems.

The Louisiana Water and Waste Water Joint Funding Committee continues to meet monthly to discuss projects statewide. A major project on the Fundable List – Town of Blanchard- is a project that will be jointly funded by USDA and the DWRLF.

Goal 10. Maximize our principal forgiveness funds to ensure that's as many communities as possible across the state can be helped in the current economic environment.

By making loan/principal forgiveness combination loans with the SRF dollars, the DWRLF remains successful in soliciting projects which equal almost all available fund dollars, thereby reducing unliquidated obligations.

Long-Term Goals

Goal 1. To assist water systems throughout the state in achieving and maintaining the health and compliance objectives of the Safe Drinking Water Act by providing financial assistance to meet infrastructure needs in a prioritized manner.

The DWRLF program is promoted throughout the State of Louisiana as a means of assistance to water systems in maintaining compliance with the Safe Drinking Water Act. As of June 30, 2012, 105 loans to water systems have been awarded. (See Table 12, Loan Portfolio) Each project contributes to the furtherance of this goal.

Goal 2. Promote the efficient use of all funds, and ensure that the Fund corpus is available in perpetuity for providing financial assistance to public water systems.

The DWRLF program maintains its accounting records in accordance with generally accepted accounting principles (GAAP) as applicable to governments. In addition, all financial transactions of the Fund are audited annually by the State of Louisiana's Legislative Auditor's Office in accordance with the Single Audit Act. The unaudited financial statements are included in this report as Exhibit XI. The Fund corpus is required to be maintained into perpetuity for providing financial assistance to public water systems. This is accomplished statutorily through the repayments of principal to the fund. However, EPA Region VI requires Louisiana to project the cash flows for 20 years to demonstrate this scenario. The cash flows model can be reviewed in Exhibit XII.

Goal 3. Use the DWRLF set-aside funds strategically and in coordination with the program loans to maximize the DWRLF loan account's impact on achieving affordable compliance and public health protection.

The DWRLF staff coordinates with the Safe Drinking Water Program staff to maximize the use of the funds to further the public health protection objectives of the Safe Drinking Water Act.

The loan documents and actual loans require a dedicated revenue source to secure with relative certainty the repayment of the loan. No loan will be made without this requirement satisfied. Interest is assessed on all SRF loans, no loans are in default, and loan-underwriting criteria (described in the Provisions to the Operating Agreement) require borrowers to have debt service reserves and excess revenue coverage to insure prompt payment of all principal and interest due.

Goal 4. Promote the development of the technical, managerial, and financial capability of all public water systems to maintain or come into

compliance with state drinking water federal SDWA requirements.

This past fiscal year the DWRLF continued to provide assistance to public water systems across the state through the Capacity Development program. The program was able to help many systems come back into compliance and even more to stay off of the violations list. (The efforts of this program were quantified on page 11 of this report.) The Louisiana Capacity Development program will continue our partnership with the public water systems throughout the state to provide our citizens with the most dependable and safe drinking water possible.

Goal 5. Provide needed investment in green and energy efficient technology.

LDHH exceeded the "green" goal for the ARRA dollars. Several projects were either categorically "green" and many more had components of 'green' as a part of the overall project. LDHH continues to meet or exceed the green project reserve goal per its 2012 Fundable List.

Goal 6. Make the water systems throughout the state more water efficient to ensure the continued availability of sufficient quantities of safe drinking water for future generations of the state.

The DWRLF continues to work with consulting engineers on projects to include water efficiency goals into the design. Each loan made furthers this goal.

Goal 7. Invest in infrastructure that will provide long term economic and environmental benefits to public water systems.

Generally, each loan made by the DWRLF is for a term of 20 years. Before the loan can be made, the system improvement plan must demonstrate

that the design life of the project meets or exceeds the loan life. This measure provides for long-term benefits to the public water systems. This benefits the environment by using the most modern technology in rehabbing or replacing

aged infrastructure. The below-market interest rate at which loans are made also contributes to the long-term economic benefits for the system and its customers.

DETAILS OF ACTIVITIES

Loan Fund Financial Status

Binding Commitments: In order to provide financial assistance for drinking water projects, the state entered into six binding commitments totaling \$18,290,000. Exhibit I details the Drinking Water Revolving Loan Fund binding commitments made during SFY 2012.

Sources of Funds: During SFY 2012, the state was awarded one federal capitalization grant totaling \$17,798,000. State match totaling \$1,476,905 was provided through the sale of revenue bonds to match Federal funds deposited into the DWRLF.

Revenues and Expenses: Fund revenues consisted of federal funds for set-aside programs, federal ARRA funds for principal forgiveness, interest earned on loans outstanding and interest earned on cash invested. These revenues totaled \$6,915,317. Fund expenses included set-aside expenses, principal forgiveness, interest expense on bonds issued and bond issuance costs. The expenses totaled \$9,921,757. The unaudited financial statements are included as Exhibit XI.

Administrative Fee Fund Financial Status

Revenues and Expenses: During SFY 2012, the state charged and collected the .5% administrative fee on all loans outstanding. This fee assessed with each interest billing or every six months as specified in the loan documents.

These revenues totaled \$644,597. In addition, interest earned on investments was \$7,284. There were no expenses associated with this fund during the state fiscal year. The unaudited financial statements are included as Exhibit XI and include the full accounting of the fund.

Program Status

Findings of the Annual Audit: The Drinking Water Revolving Loan Fund Program will be audited by the State Legislative Auditor for State Fiscal Year Ending June 30, 2012 in the fall of 2012 and spring of 2013. The SFY 2012 audit will contain a report on Compliance with requirements applicable to the Capitalization Grants for Drinking Water State Revolving Funds Program and will be posted on the web site.

EPA Oversight Review: EPA Region VI conducted its SFY 2011 annual review of the Louisiana Drinking Water Revolving Loan Fund Program in April 2012.

Assistance Activity

Exhibits I through IV and VI illustrate the assistance activity of the Drinking Water Revolving Loan Fund Program in SFY 2012.

Exhibit I	Binding Commitments & Loans
Exhibit II	Binding Commitments by Need
Exhibit III	Project Disbursements
Exhibit IV	Loan Repayments
Exhibit VI	DWRLF Binding Commitment Requirement

Provisions of the Operating Agreement

Effective July 1, 2003, the Department of Environmental Quality ceased and the Department of Health and Hospitals commenced administration of the Louisiana Drinking Water Revolving Loan Fund. As a result, the operating agreement between EPA and Louisiana was amended to reflect these changes in the program. This operating agreement lists several conditions which Louisiana agreed to. The following conditions have been met or are discussed in other areas in this report:

1. *Intent of the State*
2. *Technical Capacity to Operate the Program*
3. *Payment Schedule*
4. *Capitalization Grant Funds*
5. *Comply with State Laws and Procedures*
6. *Annual Report*
7. *Intended Use Plan*
8. *Federal Cross-cutting authorities*

The following conditions are described in more detail:

9. State Matching Funds

The State provides a Letter Of Credit (LOC) for an amount that equals 20 percent of each capitalization grant payment. Cash is then drawn from this LOC into the Fund as cash is drawn from the Federal Automated Clearing House.

Fifteen grants totaling \$212,632,700 have been awarded to the State of Louisiana as of SFY 2012. The State of Louisiana has provided its required state matching share of federal grant payments through General Fund cash appropriations and the sale of revenue bonds. The actual Bond Indenture is equivalent to the Letter of Credit. At state fiscal year end 2012, the State's Bond Indenture was sufficient to meet the requirement as is evidenced in Exhibit X. The Revenue bonds are usually paid off shortly after the draw on the line of credit; therefore there were no bonds payable at fiscal year end. The

State has drawn \$181,293,933 of the available payments into the Fund to date. Of this, \$24,056,176 was ARRA dollars requiring no state match. Cash contributions from General Fund appropriations and sales of revenue bonds have totaled \$31,445,353. Matching contributions are as follows:

Table 7		
State Match Contributions		
Cumulative State Match as of June 30, 2011	2012 Contribution	Cumulative State Match as of June 30, 2012
\$29,968,448	\$1,476,905	\$31,445,353

10. Environmental Review

The State of Louisiana Department of Health and Hospitals Office of Public Health reviews all projects assisted through DWRLF's capitalization grant funds in accordance with their EPA-approved State Environmental Review Process (SERP). There were 21 environmental reviews conducted during this fiscal year which resulted in the following environmental determinations: eleven (11) Categorical Exclusions (CATEXs), one (1) Finding of No Significant Impact (FONSI), and nine (9) Statement of Findings (SOFs).

Below is a list of the DWRLF loan recipients and their respective projects' environmental determinations:

City of Morgan City Water System – Loan 1 two (2) SOFs

Savoy Swords Water System – Loan 2
one (1) CATEX

Ward II Livingston Parish Water System -
Loan 3 two (2) SOFs

Ward II Livingston Parish Water System –
Loan 4 three (3) SOFs

Mount Herman Water District – Loan 1
one (1) CATEX

South Vernon Parish Waterworks District
No. 1 – Loan 1 one (1) CATEX

City of Baker Water System – Loan 1
one (1) SOF

Beauregard Parish Waterworks District
No. 3 – Loan 1 one (1) CATEX

Village of Forest Hill – Loan 1 one (1)
CATEX

City of Ruston Water System – Loan 1
one (1) SOF

Village of Estherwood Water System –
Loan 1 one (1) CATEX

Village of Mermentau Water System –
Loan 1 one (1) CATEX

Village of Loreauville Water System –
Loan 1 one (1) FONSI

City of Winnfield Water System – Loan 1
one (1) CATEX

Town of Pearl River Water System – Loan
1 one (1) CATEX

Town of Lutcher Water System – Loan 1
one (1) CATEX

Village of Forest Hill Water System – Loan 1 one
(1) CATEX

11. Binding Commitments of 120% Grant Payments

The State agreed to enter into binding commitments in an amount equal to 120 percent of each quarterly grant payment within one year of receipt of each grant payment. Exhibit VI depicts the cumulative requirement to date as well as the activity accomplished by Louisiana toward meeting this goal. At June 30, 2012, LA is ahead on meeting this requirement.

12. Timely Expenditure

The State agreed to expend all funds in an expeditious and timely manner. Table 8 illustrates the grant funds available to the state and those drawn down to date.

Table 8					
Grant Funds Available/Grant Funds Drawn					
Grant Award Number	Amount Awarded	Drawn Set-Asides	Drawn Loans	Total Drawn	Balance
FS996968-01	\$20,420,300	\$4,307,056	\$16,113,244	\$20,420,300	\$0
FS996968-02	\$9,949,200	\$1,553,988	\$8,395,212	\$9,949,200	\$0
FS996968-03	\$10,427,700	\$1,642,927	\$8,784,773	\$10,427,700	\$0
FS996968-04	\$10,837,400	\$1,070,826	\$9,766,574	\$10,837,400	\$0
FS996968-05	\$18,934,800	\$0	\$18,934,800	\$18,934,800	\$0
FS996968-06	\$8,004,100	\$1,311,487	\$6,692,613	\$8,004,100	\$0
FS996968-07	\$8,303,100	\$1,470,000	\$6,833,100	\$8,303,100	\$0
FS996968-08	\$8,285,500	\$1,165,000	\$7,120,500	\$8,285,500	\$0
FS996968-09	\$11,658,600	\$1,511,662	\$10,146,938	\$11,658,600	\$0
FS996968-10	\$11,659,000	\$236,662	\$11,422,338	\$11,659,000	\$0
FS996968-11	\$11,540,000	\$2,000,000	\$9,540,000	\$11,540,000	\$0
FS996968-12	\$11,540,000	\$1,900,000	\$9,640,000	\$11,540,000	\$0
FS996968-13	\$25,649,000	\$2,252,673	\$13,040,150	\$15,292,823	\$10,356,177
FS996968-14	\$17,798,000	\$385,234	\$0	\$385,234	\$17,412,766
2F-96692001-0	\$27,626,000	\$119,661	\$23,936,515	\$24,056,176	\$3,569,824
Totals	\$212,632,700	\$20,927,176	\$160,366,757	\$181,293,933	\$31,338,767

13. State Auditing Procedures

The State annually submits to an independent audit conducted on the Drinking Water Revolving Loan Fund Program. The program funds are included again in the audit of the State of Louisiana in accordance with the Single Audit Act as performed by the Legislative Auditor. Both audits are in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. The independent audit of the program contains an opinion on the financial statements, a report on internal controls, and a report on compliance with laws and regulations. The audit of the DWRLF Program for State Fiscal Year 2012 will be accomplished in the Fall of 2012 and Spring of 2013 and submitted to EPA at that time.

14. State and DWRLF Assistance Recipient Accounting

The State has established fiscal controls and accounting procedures, according to Generally Accepted Accounting Procedures (GAAP), that are sufficient to account for and report DWRLF program activities. The State agreed that it would require assistance recipients to maintain project accounts in accordance with GAAP and have an annual audit of these accounts in accordance with the Office of Management and Budget Circular A-133. DWRLF staff annually request the appropriate financial statements from the loan recipients. These statements are then reviewed for compliance and creditworthiness. Any discrepancies are addressed in a meeting with the loan recipient's responsible party and an equitable solution is agreed upon to correct the discrepancy.

15. Repayments to the Fund

The State has adopted policies and procedures to assure that borrowers have a dedicated source of revenue for the repayment of loans. As evidence of its obligations to pay principal and interest on the loans, each borrower must

establish a dedicated source of revenue (or in the case of a privately owned system, demonstrate that there is adequate security) for repayment of the loan. For substantially all of these loans, the loan recipient issues bonds that are purchased by DHH, as administrator of the DWRLF, to secure the repayment of the principal loaned. Principal and interest on the bonds are paid to the DWRLF and upon repayment of the loan, the bonds are returned to the loan recipient. Minimum required coverage ratios are established depending on the nature of the bonded indebtedness issued by the loan recipient as follows:

For limited tax bonds, the principal and interest due in any year on the amount borrowed shall not exceed 75% of the revenues estimated to be received from the levy of the pledged millage in the year in which the indebtedness is issued.

For sales tax bonds, the total amount of principal and interest falling due in any year, together with principal and interest falling due in such year on any previously issued sales tax bonds, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority of the issue to be received by it in the calendar year in which the bonds are issued.

For revenue bonds, the requirements for coverage are established contractually in the loan documents. Expected coverage ratios might range from 110% to 130% or more. The DWRLF goal for collections of the dedicated revenues for repayment of the loan secured by revenue bonds is 125%; however, many factors can create deviation from this goal. It is customary to use the same minimum required coverage ratio as was previously established for outstanding debt of the loan recipient.

For general obligation bonds, the requirements for coverage are statutorily set. The governing authority of the issuer is required to impose and collect annually, in excess of all other taxes, a tax on all property subject to taxation by the issuer sufficient in amount to pay the interest and the principal falling due each year, or such

amount as may be required for any sinking fund necessary as to generate enough revenues to pay debt service in the ensuing calendar year. No coverage requirements or debt service reserves exist, because the tax can be adjusted each year without any limitation whatsoever to collect the appropriate amount each year.

Conditions of the Grant

The State of Louisiana agreed to 29 conditions in the Capitalization Grant Agreement. The following conditions have been met and require no further explanation:

Comply with

1. *40 CFR Chapter 1, Subchapter B, Parts 31, 32, 34, & 35*
2. *OMB Circulars A-87, A-102, A-110, A-133, 40 CFR 31*
3. *Section 6002, Resource Conservation & Recovery Act*
4. *EPA Order 1000.25 & Executive Order 13101*
5. *40 CFR Part 31.41 Financial Reporting*
6. *Hotel & Motel Fire Safety Act of 1990*
7. *Paperwork Reduction Act of 1995*
8. *OMB Circular A-21, A-87, A-122; Lobbying*
9. *OMB Circular A-133; Single Audit Act*
10. *Sect. 129 of Public Law 100-50, 40 CFR 30.44(b) & 31.36(e) Procurement Procedures*
11. *40 CFR 30.27(b) or*
12. *40 CFR Part 25, Subpart L*
13. *40 CFR 35.3535(d)(2) Match Requirement.*
14. *40 CFR 35.3560(a) General Payment and Cash Draw Rules*
15. *40 CFR 35.3560(c)-(g) and 35.3565 Cash Draws*
16. *40 CFR 31.32 Equipment*
17. *40 CFR 3570(a) Biennial Report*
18. *40 CFR 35.3575 Federal Crosscutting Authorities*
19. *40 CFR 35.3540(c).(3) Workplans.*
20. *40 CFR 31.45 Quality Assurance*
21. *40 CFR 35.3515(b)(i)-(ii) Withholdings of Funds*

22. *EPA may take corrective action for failure to comply with MBE/WBE requirements.*
23. *Quality Management Plan*
24. *Quality Assurance Project Plan*
25. *Use of the Automated Standard Application for Payments (ASAP)*
26. *Report annually on the indicators of the pace of the program. (loan issuance, project construction and repayment of loans) and minimum levels of expected performance, which are updated annually, for each of the indicators.*
- 31.36(j)(1) *Allowable Costs & Procurement*

The following conditions are described in detail below:

27. *Compliance with requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements.*

MBE/WBE Requirements

DHH-OPH monitors all loan recipients for compliance with EPA Disadvantaged (Minority- and Woman- owned) Business Enterprises (DBE) fair share efforts. DHH-OPH reviews all contracts prior to award of loan, as well as in-house purchasing, to ensure compliance with the six (6) DBE Good Faith Efforts in the following four categories: Supplies, Equipment, Services, and Construction. In the case of loan awards, all prime contractors are required to furnish DHH-OPH with appropriate documentation to demonstrate compliance with the six (6) DBE Good Faith Efforts. This DWRLF program requirement is emphasized in our Disadvantaged Business Enterprise Guidance Document, which is required to be included in all DWRLF loan project construction specifications, and then discussed again at the Pre-Construction Meeting with the DWRLF loan project prime contractors. Documentation explaining and demonstrating that the six (6) DBE Good Faith Efforts were made to ensure maximum opportunity was provided for DBE participation is required and maintained for

each DWRLF loan project file. DHH-OPH also monitors set-aside activities for compliance with EPA DBE fair share efforts.

In calculating the amount of DBE procurement activities accomplished in the figure below, the total amount paid to subcontractors under the construction category is shown when the award was made, not actual payments. Also, the dollar amounts for each category include only the federal grant money and do not include the state match portion. Adjustments for the timing of any payments were not taken into account.

The State DBE goals for FY 2012, as determined by the lead agency for the program (Louisiana Department of Environmental Quality, LDEQ), were as follows:

	MBE	WBE
SUPPLIES	1.4 %	1.4 %
EQUIPMENT	1.5 %	1.4 %
SERVICES	17.1 %	12.4 %
CONSTRUCTION	23.4 %	11.9 %

The actual amount of DBE procurement activities accomplished by DWRLF activities during FY2012 were as follows:

	MBE	WBE
SUPPLIES	\$ 0	\$ 0
EQUIPMENT	\$ 0	\$ 0
SERVICES	\$ 0	\$ 38,294
CONSTRUCTION	\$ 1,182,519	\$ 179,087

28. Provide a quarterly schedule of estimated cash draws to the EPA.

The State does not have the amount of the next grant but has been informed that it should expect 2008 level of funding. LA submits the following quarterly schedule of estimated cash draws:

Table 10
FFY 13 Quarterly Schedule of Estimated Cash Draws

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$12,000,000

29. Establish an accounting system and internal controls which will ensure the recording and safeguarding of all DWRLF activities in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

The State of Louisiana requires DHH-OPH to utilize the Integrated Statewide Information System (ISIS). The ISIS system is a comprehensive financial management system. ISIS has been designed to meet the common accounting, management, and informational needs of all departments and branches of Louisiana State Government, including the central fiscal control agencies. ISIS provides accounting, audit, and fiscal procedures conforming to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board. ISIS also provides reporting, forms, cash and budgetary control over all financial transactions including the financial operations of the DWRLF program and other federal programs.

30. ARRA -Section 1512 Reporting and Registration Requirements.

LA has successfully submitted its required quarterly reports to Federalreporting.gov for this reporting period.

31. ARRA - Buy American Provision. Required use of American iron, steel, and manufactured goods.

LDHH/DWRLF required the inclusion of Buy American ARRA Provision Contract Language be

included in all ARRA project contract documents/specifications. LDHH/DWRLF also required the inclusion of a Guidance Document for Complying with the Buy American Provision of ARRA be included in all ARRA project contract documents/specifications. This Guidance Document explained that Section 1605 of the American Recovery and Reinvestment Act of 2009 (ARRA) provides for the use of American iron, steel, or manufactured goods in projects funded with funds made available from ARRA and that none of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. The Guidance Document explained and requested the use of the Buy American De Minimis Waiver that allowed an exclusion from the Buy American requirements of up to 5% of the total cost of incidental materials/components used in and incorporated into a project. It also explained the application process for Project Specific Waivers and provided a breakdown of what Consulting Engineers, Contractors, and Loan Recipients must do to ensure compliance with the Buy American ARRA Provision. Lastly, the Guidance Document required the Consultant Engineer to obtain (from the Contractor) Substantial Transformation Evaluation (STE) Forms completed by the Manufacturer for all components of the project that are not inherently certified as being composed of 100% US components. Additionally, LDHH/DWRLF required the inclusion of the Buy American One-Pager from EPA Region 6 be incorporated into the project specifications to provide a quick

reference guide to all project participants of the Buy American Provision requirements.

LDHH/DWRLF revised its construction inspection forms for ARRA projects to include checks for compliance with the Buy American Provision. Additionally, the EPA-developed 'ARRA Inspection/Site Review Checklist' was utilized during ARRA project construction inspections in order to further ascertain project compliance with Buy American requirements. This checklist required the selection of specific project components for verification of Buy American compliance via review of certifications, waivers, and other verification documents, as well as on-site inspections of project components at the job-site.

Finally, LDHH/DWRLF required all Contractors to submit with each invoice a Buy American Certification signed by the Contractor clearly stating and certifying that all items being requested for reimbursement within that particular invoice met the Buy American ARRA Provision.

32. ARRA –Green Project Reserve(GPR). 20% of grant funds will be utilized for projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.

Louisiana put forth an earnest effort to solicit green projects that met these requirements. EPA approved the green projects prior to LDHH actually funding them. Table 11 depicts the projects approved for the GPR and their associated draws through June 30, 2012.

Table 11

Green Project Reserve Disbursed				
LA Drinking Water Revolving Loan Fund			Through June 30, 2012	
Project Name	GPR per PBR	Actual Disb.	Difference (\$)	Difference (%)
City of Baker	\$ 2,000,000	\$ 589,551	\$ (1,410,449)	29.5%
City of Bogalusa	2,000,000	1,397,924	(602,076)	69.9%
City of Natchitoches	765,000	765,000	-	100.0%
City of Ville Platte	2,000,000	2,000,000	-	100.0%
City of Westlake	\$ 35,000	\$ 35,000	\$ -	100.0%
East Allen WWD #1	15,000	15,000	-	100.0%
Southwest Allen WW	134,000	134,000	-	100.0%
	\$ 6,949,000	\$ 4,936,476	\$ (2,012,525)	71.0%

Note: Actual required GPR is 20% of Project Dollars or \$5,462,200. Consequently amount disbursed is short of the goal by \$525,724; or, 90.4% of the required GPR has been disbursed

Assurances of 40 CFR 35.3570(3)

In accordance with EPA requirements and in addition to the above operating agreement requirements and grant conditions, the state must certify that it has complied with section 1452 of the Act and subpart 40 CFR 35.3570(3). Some of these assurances have been explained in other sections of this report and are listed here:

1. *General Grant Regulations*
2. *Made binding commitments*
3. *Provided assistance only to eligible public water systems*
4. *Provided assistance only for eligible set-aside activities*
5. *Federal cross-cutting authorities*
6. *Provide loan assistance to small systems*
7. *Used Fees for eligible purposes*
8. *Environmental review of funded projects*
9. *Deposited its match (cash or LOC) into the Fund*

The following assurances are discussed more fully below:

10. Prudent management of the fund

The State of Louisiana has and will continue to manage the DWSRF program in a fiscally prudent manner. The DWRLF staff meets monthly to discuss projects and status of the fund. The minutes of the meetings along with attendance sheets are kept on file. At these meetings, items of policy are also discussed which involve the long-term financial health of the fund. The staff of the fiscal office of DHH is consulted often and provides the manager with financial status reports.

11. Funded priority projects

In its 2012 Intended Use Plan, the State of Louisiana included the Fundable List of projects. This list is developed from the Comprehensive List of projects by ranking the projects in order of priority and available funds. The 2012 Fundable List (included in IUP) is included in Exhibit VII. As was previously stated, during this reporting period Louisiana closed seven loans. These projects were not on the Fundable list, however

they were on the Comprehensive List. Those projects listed above the funding line but not funded are routinely contacted to ascertain their progress toward closing a loan with the program.

12. Provide loan assistance to disadvantaged communities

During SFY06, Louisiana amended its SFY06 IUP to include provisions for emergency projects and disadvantaged systems and EPA subsequently approved it. The amendment was made immediately following the hurricanes in anticipation of a need by damaged systems. We

have not yet had any system loaned money under these provisions.

13. Procedures for transfers of funds/cross-collateralization

To date, the State of Louisiana has adopted no procedures for transfer of funds between the Clean Water SRF and the Drinking Water SRF. There has been no need for these procedures because there have been no plans for transfers or cross-collateralization of the assets. Should it become necessary in the future, DEQ and DHH staff would adopt such procedures.

PROGRAM CHANGES

The Annual Report reflects any changes from the state's IUP. Differences are due to the fact that the IUP is a plan and the annual report reflects actual events. Changes are also due to delays by systems in submission of required project information necessary to receive funding and loans, changes in required legal resolutions, or because systems withdrew from active pursuit of state funding.

LOUISIANA

DRINKING WATER

REVOLVING LOAN FUND PROGRAM

HISTORY

INITIATION OF THE PROGRAM

The Louisiana Department of Health and Hospitals, Office of Public Health (DHH-OPH) is a department of the State of Louisiana. DHH-OPH was created in accordance with Louisiana Revised Statutes (R.S.) 36:251(c) and 258(b) as a part of the executive branch of government. DHH-OPH is charged with protection of the public health of residents of the State of Louisiana.

The Louisiana Department of Environmental Quality (DEQ) is a department of the State of Louisiana. DEQ was created in accordance with R.S. 30:2011 as a part of the executive branch of government. DEQ is charged with environmental protection within the State of Louisiana.

The Drinking Water Revolving Loan Fund (DWRLF) program was established pursuant to the federal Safe Drinking Water Act Amendments of 1996 (SDWA). The DWRLF program provides financial assistance to both public and privately owned community water systems and nonprofit non-community water systems for projects eligible under the SDWA. The DWRLF program presently operates under R.S. 40:2821-2826. These statutes establish a DWRLF program capitalized by federal grants (Capitalization Grants for Drinking Water State Revolving Fund, CFDA 66.468), by state funds when required or available, and by any other funds generated by the operation of the program. The DWRLF program provides assistance through loans for infrastructure projects and other assistance in the form of set-aside activities for program administration, technical assistance, state program management, and source water protection. All efforts are directed toward improving drinking water quality by assisting systems in providing drinking water that meets established standards and that achieves the goals of the SDWA.

The DHH-OPH is responsible for the operations of the DWRLF program. The department coordinates the implementation and administration of the DWRLF program. DHH-OPH is authorized to apply for and accept capitalization grants from the United States Environmental Protection Agency, to establish assistance priorities, to perform oversight and other related activities, and to provide financial administration of the set-aside accounts and loan account for the DWRLF program. DEQ, through a memorandum of understanding was authorized to provide the financial administration of the fund and the project environmental reviews for the DWRLF program. Effective July 1, 2003, DHH assumed responsibility for the financial administration of the fund. Effective July 1, 2006, DHH assumed responsibility for the environmental reviews of the projects. The Memorandum of Understanding between the two agencies was cancelled at that time.

The DWRLF does not have any full-time employees. However, time spent on the DWRLF program by employees of DHH-OPH is captured and the department is subsequently reimbursed for their salaries and benefits (including compensated absences) as well as other operating expenses of the fund.

CAPITALIZATION GRANT AND STATE MATCHING FUNDS

Since SFY 1999, Louisiana Drinking Water Revolving Loan Fund Program has been awarded federal capitalization grants totaling \$212,632,700. In order to receive each of the capitalization grants (excluding the ARRA grant), the federal grant must be matched with either state funds or a letter of credit like instrument equal to at least 20 percent of the grant payments. To meet this requirement, state appropriations as well as revenue bonds have provided the required state matching funds. Exhibit X depicts the types and amounts of state match provided by Louisiana.

The bonds provide for a non-revolving line of credit from Capital One Bank. The bonds must be purchased in minimum amounts of \$200,000 and interest on the unpaid principal is payable at the rate of fifty (50) basis points plus LIBOR. In addition, DHH must pay a commitment fee equal to one fourth of one percent (.25%) of the unfunded commitment amount annually in advance.

Principal Repayment Loans

The DWRLF is intended to last into perpetuity. As borrowers repay their loans, the principal repayments are then available to be loaned out to other eligible systems. When federal capitalization grants are discontinued, all loans will be made from the principal repayments of other borrowers. The administrative costs of the program will be funded from those administrative fees collected from the loans outstanding or from funds provided by DHH.

Investment of Funds

All excess cash funds are managed and invested by the State of Louisiana Treasury for the DWRLF program. Interest earnings are credited to the DWRLF accounts and the proper allocations and accruals are posted by the DHH fiscal staff.

Trustee

Whitney (formerly Hancock) Bank serves as the trustee for the DWRLF in all its transactions involving the revenue bonds for state match. The trustee is responsible for transferring the funds from the purchaser of the bonds (Capital One Bank) to the State Treasury for deposit into the DWRLF account. The trustee is also responsible for the transfer of funds from the DWRLF to the Capital One Bank when the bonds are retired.

Conduit Issuer

The Louisiana Public Facilities Authority, a public trust and public corporation of the State of Louisiana has legal authority to act as the issuer on behalf of DHH for the sale of the revenue bonds for the state match.

Bond Counsel

Since July 2003, Adams & Reese, LLP has acted as Bond Counsel for the DWRLF. A contractual relationship was established between the parties and the Bond Counsel is responsible for advising the DWRLF staff on all matters pertaining to loans to recipients, revenue bonds for state match, and general administration of the program.

Purchaser of the Bonds

The Capital One Bank purchased the revenue bonds of the DWRLF. The purchase/sale was privately negotiated between the parties and a commitment letter exists as the document verifying the negotiated terms.

EPA Region VI

Region VI of the Environmental Protection Agency oversees the Drinking Water Revolving Loan Fund Program. EPA assists the state in securing capitalization grants and guides the DWRLF staff in its administration of the program.

LOUISIANA

DRINKING WATER

REVOLVING LOAN FUND PROGRAM

LOAN PORTFOLIO

Table 12
DWRLF schedule of Binding Commitments & Loans Closed

System	Bind. Comm	PROJECT NAME	ARRA	Base	ARRA	GREEN	BINDING	LOAN	Loan count	LOAN AWARDS		LOAN	LOAN	
				PROJECT	LOAN		LOAN	COMMITMENT		CLOSING			INTEREST	MATURITY
				NUMBER	AWARD		AWARD							
				DATE	DATE		BASE							
1	1	1 Town of Church Point		1001001	\$2,500,000		08/17/99	08/17/99	1	\$2,500,000.00		loan	3.45%	Feb-19
2	2	2 City of Oakdale		1003006	\$1,500,000		01/21/00	01/21/00	2	\$1,492,411.90		loan	3.45%	Feb-21
3	3	3 Ward 2, Water Dist., Livingston Parish		1063039	\$9,000,000		06/15/00	06/15/00	3	\$9,000,000.00		loan	3.45%	Apr-22
4	4	4 Town of Many #1		1085016-01	\$1,000,000		12/19/00	12/19/00	4	\$998,521.68		loan	3.45%	Dec-08
		5 Town of Many #2		1085016-02	\$1,100,000		12/19/00	12/19/00	5	\$1,075,319.77		loan	3.45%	Jun-10
		6 Town of Many #3		1085016-03	\$1,500,000		12/19/00	12/19/00	6	\$1,470,191.67		loan	3.45%	Dec-11
5	7	7 City of Shreveport #1		1017031-01	\$7,000,000		06/28/01	11/08/01	7	\$7,000,000.00		loan	3.45%	Oct-22
	8	8 City of Shreveport #2		1017031-02	\$7,000,000		06/28/01	11/08/01	8	\$7,000,000.00		loan	3.45%	Oct-22
	9	9 City of Shreveport #3		1017031-03	\$5,540,000		06/28/01	12/28/01	9	\$5,540,000.00		loan	3.45%	Oct-22
6	10	10 Town of Baldwin		110101-01	\$1,250,000		08/28/01	08/28/01	10	\$1,249,626.75		loan	3.45%	May-21
7	11	11 West Winnsboro		1041009	\$747,100		09/28/01	09/28/01	11	\$648,093.00		loan	3.45%	Jul-21
8	12	12 DeSoto Parish WWD #1		1031030-01	\$2,350,000		02/19/02	02/19/02	12	\$2,350,000.00		loan	3.45%	Aug-22
9	13	13 Village of Quitman		1049014	\$480,000		05/23/02	05/23/02	13	\$480,000.00		loan	3.45%	May-22
10	14	14 Colyell Community Water System		1063003-01	\$948,600		06/27/02	06/27/02	14	\$948,599.80		loan	3.45%	Jul-23
11	15	15 Culbertson Water System, Inc.		1061024-01	\$669,000		06/27/02	06/27/02	15	\$598,225.75		loan	3.45%	Jun-22
12	16	16 City of Natchitoches		1069007-01	\$3,500,000		08/15/02	08/15/02	16	\$3,500,000.00		loan	3.45%	Jan-23
13	17	17 City of Westlake		1019054	\$3,750,000		03/27/03	03/27/03	17	\$3,739,906.34		loan	3.45%	Nov-24
14	18	18 Ascension Water Co., Inc.		1005194	\$6,000,000		10/01/03	12/22/03	18	\$6,000,000.00		loan	3.45%	Dec-25
15	19	19 Lafayette Waterworks Dist. North		1055171	\$2,800,000		03/26/04	06/03/04	19	\$2,738,586.52		loan	3.45%	Oct-25
16	20	20 New Iberia - Louisiana Water Co.		1045009-1	\$6,000,000		06/29/04	11/30/04	20	\$6,000,000.00		loan	3.45%	Nov-26
	21	21 Ward 2, Water Dist., Livingston Parish		1063039-02	\$6,000,000		09/30/04	07/12/05	21	\$5,984,678.07		loan	3.45%	Apr-26
17	22	22 City of Springhill		1119028-01	\$7,500,000		06/13/05	06/15/07	22	\$7,456,558.00		loan	3.45%	Jun-29
		Lafayette Waterworks Dist. North #2		1055171-02	\$0		-	-		\$0.00		-	-	-
18	23	23 City of Monroe		1073031-01	\$3,000,000		06/28/06	06/28/06	23	\$3,000,000.00		loan	3.45%	Jul-28
19	24	24 French Settlement		1105010	\$1,000,000		07/15/06	05/01/07	24	\$770,066.82		loan	3.45%	Apr-29
	25	25 Ascension Water Co., Inc. #2		1005194-02	\$5,000,000		09/28/06	12/19/06	25	\$5,000,000.00		loan	3.45%	Dec-28
	26	26 New Iberia - Louisiana Water Co. #2		1046009-2	\$3,500,000		09/28/06	12/19/06	26	\$3,500,000.00		loan	3.45%	Dec-28
20	27	27 Savoy Swords Water System, Inc.		1097024	\$1,000,000		12/19/06	12/19/06	27	\$907,237.85		loan	3.45%	Dec-27
21	28	Town of Slaughter		1037008-01	\$1,355,000		11/28/07	11/28/07	28	\$1,355,000.00		refinance	3.45%	Jun-36
	29			1037008-02	\$842,400		11/28/07	06/30/08	29	\$640,522.90		loan	3.45%	Jun-28
	30			1037008-03	\$157,600		11/28/07	06/30/08	30	\$0.00		loan	3.45%	-
22	31	31 Buckeye Water District #50, Inc.		1079004-01	\$500,000		02/01/08	06/30/08	31	\$400,000.00		loan	3.45%	Jun-29
23	32	32 Point Wilhite Water System, Inc.		1111012	\$925,000		2/18/2008	02/18/08	32	\$925,000.00		loan	3.45%	Feb-30

Table 12
DWRLF schedule of Binding Commitments & Loans Closed

System	Bind. Comm	PROJECT NAME	ARRA		Base	ARRA	GREEN	BINDING	LOAN	Loan count	LOAN AWARDS			LOAN	LOAN
				PROJECT	LOAN	LOAN		COMMITMENT	CLOSING			INTEREST	MATURITY		
				NUMBER	AWARD	AWARD									
				DATE	DATE	BASE								ARRA	TYPE
24	33	Gardner Community Water Association, Inc.	✓	1079010-1A	\$1,246,000			2/22/2008	12/22/09	33		\$423,000.00	loan	2.95%	Dec-30
				1079010-1B	\$0			-	12/22/09	34	\$987,000.00		loan	2.95%	Dec-30
		Fifth Ward Water System, Inc.		1009002	\$0			3/5/2008							-
25	34	City of Ruston-Loan 1A	✓	1061017-1	\$4,000,000			4/4/2008	10/21/09	35		\$2,000,000.00	loan	2.95%	Oct-30
		City of Ruston-Loan 1B		1061017-2	\$0			-	10/21/09	36	\$1,334,000.00		loan	2.95%	Oct-30
		35 West Winnsboro #2		1041009-02	\$500,000			2/21/2008	06/06/08	37	\$467,459.84		loan	3.45%	Jul-28
		Chenier Drew Water System, Inc.		1073100-01	\$0			6/13/2008			\$0.00		-	-	-
	36	Town of Franklin	✓	1101003-01A	\$2,400,000			5/23/2008	02/02/10	38		\$811,000.00	loan	2.95%	Mar-30
				1101003-01B	\$0			-	02/02/10	39	\$1,894,000.00		loan	2.95%	Mar-30
		Rapides Island Water Association, Inc.		1079020-01	\$0			6/6/2008							
26	37	United Water System, Inc.		1099009-01	\$400,000			5/20/2008	06/06/08	40	\$360,333.26		loan	3.45%	Oct-28
27	38	Natchitoches WWD#2		1069006-01	\$ 3,500,000			12/23/2008	12/23/08	41	\$3,500,000.00		loan	3.45%	Nov-29
	39			1069006-02	\$1,003,000			12/23/2008	12/23/08	42	\$649,276.49		loan	3.45%	Nov-29
		40 Colyell Community Water System #2		1063003-02	\$900,000			3/12/2009	03/12/09	43	\$899,732.40		loan	3.45%	
28	41	Calcasieu WWD #8 Series A	✓	1019118-1AB	\$ -	\$ 384,000		08/04/09	08/04/09	44		\$384,000.00	loan	2.95%	Dec-29
		42 Calcasieu WWD #8 Series B		1019118-1B	\$ 257,000			08/04/09	08/04/09	45	\$257,000.00		loan	2.95%	Dec-29
		43 Calcasieu WWD #8 Series C		1019118-1C	\$ 209,000			08/04/09	08/04/09	46	\$209,000.00		loan	2.95%	Dec-28
		44 Buckeye Water District #50, Inc., Loan #2-A	✓	1079004-02A	\$ -	\$ 684,000			10/07/09	47		\$684,000.00	loan	2.95%	Jun-30
		45 Buckeye Water District #50, Inc., Loan #2-B		1079004-02B	\$ 458,000				10/07/09	48	\$458,000.00		loan	2.95%	Jul-30
		46 Shreveport #4 Series A	✓	1017031-04	\$ -	\$2,000,000		10/01/09	11/06/09	49		\$2,000,000.00	loan	2.95%	Dec-30
		Shreveport #4 Series B		1017031-04	\$ 9,000,000				11/06/09	50	\$9,000,000.00		loan	2.95%	Dec-30
29	47	Morgan City Series A	✓	1101005-1A	\$ -	\$1,000,000			12/22/09	51		\$1,000,000.00	loan	2.95%	Dec-30
		Morgan City Series B		1101005-1B	\$ 1,750,000				12/22/09	52	\$1,750,000.00		loan	2.95%	Dec-30
		Morgan City Series W		1101005-1W	\$ 1,250,000				12/22/09	53	\$1,234,000.00		loan	2.95%	Dec-30
30	48	Iberville Parish WWD #2	✓	1047007-01	\$ -	\$1,950,000			11/24/09	54		\$1,950,000.00	loan	2.95%	Jan-31
		Iberville Parish WWD #2		1047007-02	\$ 1,300,000				11/24/09	55	\$1,300,000.00		loan	2.95%	Jan-31
		49 Savoy Swords Water System, Inc. #2A	✓	1097024-2A	\$ -	\$265,800		12/22/09	12/22/09	56		\$265,800.00	loan	2.95%	Dec-30
		Savoy Swords Water System, Inc. #2B		1097024-2B	\$ 620,200			12/22/09	12/22/09	57	\$620,200.00		loan	2.95%	Dec-30
31	50	City of Bogalusa -1A	✓	1117001-1A	\$ -	\$2,000,000	✓	12/22/09	12/22/09	58		\$2,000,000.00	loan	2.95%	Sep-30
		City of Bogalusa -1B		1117001-1B	\$ 3,000,000		✓	12/22/09	12/22/09	59	\$3,000,000.00		loan	2.95%	Sep-30
32	51	City of Baker - 1A	✓	1033003-01A	\$ -	\$2,000,000	✓	01/15/10	01/15/10	60		\$2,000,000.00	loan	2.95%	Jan-31
		City of Baker - 1B		1033003-01B	\$ 2,200,000		✓	01/15/10	01/15/10	61	\$2,200,000.00		loan	2.95%	Jan-31
33	52	City of Alexandria - 1A	✓	1079001-01A	\$ -	\$1,000,000		01/22/10	01/22/10	62		\$1,000,000.00	loan	2.95%	May-30
		City of Alexandria - 1B		1079001-01B	\$ 3,390,000			01/22/10	01/22/10	63	\$3,390,000.00		loan	2.95%	May-30

Table 12

System	Bind. Comm	PROJECT NAME	ARRA	PROJECT	Base	ARRA	GREEN	BINDING	LOAN	Loan count	LOAN AWARDS		LOAN	LOAN				
					LOAN	LOAN		COMMITMENT	CLOSING		NET OF WRITE-DOWNS				INTEREST	MATURITY		
					NUMBER	AWARD		AWARD	DATE		DATE	BASE			ARRA	TYPE	RATE	DATE
34	53	Town of Pollock - 1A	✓	1043007-1A	\$ -	\$159,000		01/22/10	01/22/10	64		\$159,000.00	loan	2.95%	Nov-30			
		Town of Pollock - 1B		1043007-1B	\$ 371,000			01/22/10	01/22/10	65	\$371,000.00		loan	2.95%	Nov-30			
	54	City of Westlake Loan 2A	✓	1019054-2A	\$ -	\$870,000	✓	01/26/10	01/26/10	66		\$870,000.00	loan	2.95%	Jan-30			
		City of Westlake Loan 2B		1019054-2B	\$ 2,030,000		✓	01/26/10	01/26/10	67	\$2,030,000.00		loan	2.95%	Jan-30			
35	55	East Allen Parish WWD 1A	✓	1003011-1A	\$ -	\$385,000	✓	01/26/10	01/26/10	68		\$385,000.00	loan	2.95%	Jan-30			
		East Allen Parish WWD 1B		1003011-1B	\$ 900,000		✓	01/26/10	01/26/10	69	\$900,000.00		loan	2.95%	Jan-30			
36	56	Southwest Allen Parish WWD2-1A	✓	1003009-1A	\$ -	\$298,500	✓	01/26/10	01/26/10	70		\$298,500.00	loan	2.95%	Jan-30			
		Southwest Allen Parish WWD2-1B		1003009-1B	\$ 696,500		✓	01/26/10	01/26/10	71	\$696,500.00		loan	2.95%	Jan-30			
37	57	Kolin Ruby Wise Water District No. 11-1A	✓	10790231A	\$ -	\$165,000		02/02/10	02/02/10	72		\$165,000.00	loan	2.95%	Feb-30			
		Kolin Ruby Wise Water District No. 11-1B		10790231B	\$ 385,000			02/02/10	02/02/10	73	\$385,000.00		loan	2.95%	Feb-30			
	58	DeSoto Parish WWD #1 Loan 2A	✓	1031030-02A	\$ -	\$708,000		02/02/10	02/02/10	74		\$708,000.00	loan	2.95%	Aug-30			
		DeSoto Parish WWD #1 Loan 2B		1031030-02B	\$ 1,652,000			02/02/10	02/02/10	75	\$1,652,000.00		loan	2.95%	Aug-30			
38	59	City of Ville Platte Loan 1A	✓	1039010-01A	\$ -	\$2,000,000	✓	02/03/10	02/03/10	76		\$2,000,000.00	loan	2.95%	May-29			
		City of Ville Platte, Loan 1B		1039010-01B	\$ 2,050,000			02/03/10	02/03/10	77	\$2,050,000.00		loan	2.95%	May-29			
	60	United Water System, Inc. #2A	✓	1099009-02A	\$ -	\$285,000		02/04/10	02/04/10	78		\$285,000.00	loan	2.95%	Oct-30			
		United Water System, Inc. #2B		1099009-02B	\$ 667,000			02/04/10	02/04/10	79	\$667,000.00		loan	2.95%	Oct-30			
39	61	Town of Blanchard Loan 1A	✓	1017006-01A	\$ -	\$1,000,000		02/05/10	02/05/10	80		\$1,000,000.00	loan	2.95%	Mar-30			
		Town of Blanchard Loan 1B		1017006-01B	\$ 2,657,000			02/05/10	02/05/10	81	\$2,657,000.00		loan	2.95%	Mar-30			
40	62	Bayou Des Cannes Water System, Inc. #1A	✓	1039016-01A	\$ -	\$666,700		02/08/10	02/08/10	82		\$666,700.00	loan	2.95%	Jan-30			
		Bayou Des Cannes Water System, Inc. #1B		1039016-01B	\$ 1,555,820			02/08/10	02/08/10	83	\$1,555,820.00		loan	2.95%	Jan-30			
41	63	City of Thibodaux 1A	✓	1057003-01A	\$ -	\$1,000,000		02/08/10	02/08/10	84		\$1,000,000.00	loan	2.95%	Jun-30			
		City of Thibodaux 1B		1057003-01B	\$ 5,400,000			02/08/10	02/08/10	85	\$5,400,000.00		loan	2.95%	Jun-30			
42	64	Town of Walker 1A	✓	1063017-01A	\$ -	\$156,000		02/09/10	02/09/10	86		\$156,000.00	loan	2.95%	Oct-29			
		Town of Walker 1B		1063017-01B	\$ 364,000			02/09/10	02/09/10	87	\$364,000.00		loan	2.95%	Oct-29			
43	65	ACUD#1 1A	✓	1005045-01A	\$ -	\$300,000		02/09/10	02/09/10	88		\$300,000.00	loan	2.95%	Dec-30			
		ACUD #1 1B		1005045-01B	\$ 700,000			02/09/10	02/09/10	89	\$700,000.00		loan	2.95%	Dec-30			
44	66	City of Natchitoches 2A	✓	10069007-02A	\$ -	\$2,000,000		02/10/10	02/10/10	90		\$2,000,000.00	loan	2.95%	Dec-30			
		City of Natchitoches 2B		10069007-02B	\$ 3,000,000			02/10/10	02/10/10	91	\$3,000,000.00		loan	2.95%	Dec-30			
45	67	City of Mansfield 1A	✓	10031009-01A	\$ -	\$1,000,000		02/11/10	02/11/10	92		\$1,000,000.00	loan	2.95%	Feb-30			
		City of Mansfield 1B		10031009-01B	\$ 3,120,000			02/11/10	02/11/10	93	\$3,120,000.00		loan	2.95%	Feb-30			
46	68	New Orleans Sewerage & Water Board 1A	✓	1071009-01A	\$ -	\$1,800,000		02/11/10	02/11/10	94		\$1,800,000.00	loan	2.95%	Feb-30			
		New Orleans Sewerage & Water Board 1B		1071009-01B	\$ 1,600,000			02/11/10	02/11/10	95	\$1,600,000.00		loan	2.95%	Feb-30			
47	69	Town of Delhi		1083002-01	\$ 7,500,000			03/29/10	03/29/10	96	\$7,500,000.00		loan	2.95%	Jan-31			
	70	Ward 2 of Livingston Parish- Loan #3		1063039-03	\$ 4,000,000			07/26/10	07/26/10	97	\$4,000,000.00		loan	2.95%	Apr-30			
48	71	Consolidated WWD#1 of Terrebonne Parish		1109002-01	\$ 1,900,000			12/29/10	12/29/10	98	\$1,900,000.00		loan	2.95%	Nov-30			
	72	Ward 2 of Livingston Parish- Loan #4		1063039-04	\$ 8,000,000			06/03/11	11/30/11	99	\$8,000,000.00		loan	2.95%	Apr-32			
	73	Alexandria Loan #2		1079001-02	\$ 7,610,000			10/11/11	10/11/11	100	\$7,610,000.00		loan	2.95%	May-32			
	74	Mansfield 2		10031009-02	\$ 1,550,000			11/10/11	11/10/11	101	\$1,550,000.00		loan	2.95%	Feb-32			
49	75	Avoyelles Ward One Water System		1009016-01	\$ 1,550,000			12/28/11	12/28/11	102	\$1,550,000.00		loan	2.95%	Dec-31			
	76	Mansfield 3		10031009-03	\$ 3,280,000			01/06/12	01/06/12	103	\$3,280,000.00		loan	2.95%	Feb-32			
50	77	City of Winnfield		1127012-01	\$ 2,500,000			02/16/12	02/16/12	104	\$2,500,000.00		loan	2.95%	Feb-33			
51	78	City of Pearl River		1103157-01	\$ 1,800,000			04/13/12	04/13/12	105	\$1,800,000.00		loan	2.95%	Mar-32			
		Total			\$199,636,220	\$ 24,077,000					\$194,616,868.81	\$27,311,000.00						
						\$223,713,220						\$221,927,869						
Bold indicates completed projects.																		

PROJECT DESCRIPTIONS

Loans approved for funding and still under construction at June 30, 2012 are as follows:

Natchitoches Parish Water Works District #2, Loans #1 and #2 (\$4,503,000)

Natchitoches Parish Water Works District #2 will use its DWRLF loan to construct two new water wells, a new iron filtering and water softening treatment facility, and additional water mains. The engineering firm for the project is McManus Consulting Engineers in Monroe, LA.

Gardner Community Water Association, Inc. (\$1,410,000)

The Gardner Community Water Association, Inc. will use its DWRLF loan to install an elevated storage tank, a new water well, and an auxiliary generator. The engineering firm for the project is Monceaux Beuller Engineering in Alexandria, LA.

City of Ruston (\$3,334,000)

The City of Ruston will use its DWRLF loan to remove an existing 500,000-gallon elevated water storage tank and replace it with a new 2,000,000-gallon elevated water storage tank. The engineering firm for the project is Riley Company of Louisiana in Ruston, LA.

City of Franklin (\$2,705,000)

The City of Franklin will use its DWRLF loan to construct a new raw water intake pump station, renovate the clarifiers, renovate the ground storage tank, repair the valves outside plant building, renovate and update the electrical system and motor control, demolish old unused equipment, and install a roof over clarifiers to minimize algae growth. The engineering firm for the project is Miller Engineers in Franklin, LA.

City of Morgan City (\$3,984,000)

The City of Morgan City will use its DWRLF loan to demolish two (2) existing elevated tanks and install a 750,000-gallon elevated storage tank (EST), replace water meters, and replace transmission mains. The engineering firm for the project is Environmental Engineering Services, Inc. in LaPlace, LA.

Calcasieu Parish Water Works District #8 (\$850,000)

The Calcasieu Parish Water Works District #8 will use its DWRLF loan to install a new water well and a new 400,000-gallon ground storage tank in replacement of an old deteriorating ground storage tank. Additional project improvements consist of the installation of electric motor actuated control valves to automate the existing filter backwash system. The engineering firm for the project is Meyer and Associates in Sulphur, LA.

City of Shreveport, Loan #4 (\$11,000,000)

The City of Shreveport Water System will use its DWRLF loan to purchase and install an automatic meter reading (AMR) water metering and billing system that utilizes fixed-base radio-frequency (RF) technology. The purpose of the project is to allow meter usage to be monitored on an almost continuous basis at all commercial and industrial water services, helping detect issues in a timely manner. The City of Shreveport utilized its own city engineers for this project.

Iberville Parish Water Works District #2 (\$3,250,000)

The Iberville Parish Water Works District #2 will use its DWRLF loan to install a new 400,000-gallon elevated tank, pipeline improvements, a new booster pump station, repair and paint existing ground water

storage tanks, abandon three water wells, and to demolish several components on the water system that have exceeded their useful life. The engineering firm for the project is Owen and White in Baton Rouge, LA.

Savoy Swords Water System, Inc., Loan #2 (\$886,000)

The Savoy Swords Water System, Inc. will use its DWRLF loan to replace the entire existing manual read meters with an automatic meter reading (AMR) system. Additionally, several of the pumps on the existing wells will be replaced with high efficiency pumps to improve the system's energy efficiency. The engineering firm for the project is GSE Engineering in Lafayette, LA.

City of Bogalusa, Loan #1 (\$5,000,000)

The City of Bogalusa Water System will use its DWRLF loan to replace its flat rate billing system with an automatic meter reading (AMR) system linked to the city's billing system. The engineering firm for the project is Professional Engineering Consultants (PEC) Corporation in Baton Rouge, LA.

City of Baker (\$4,200,000)

The City of Baker will use its DWRLF loan to install an automatic meter reading (AMR) system utilizing fixed-base radio-frequency (RF) technology to serve all residential and commercial customers throughout the City of Baker. The engineering firm for the project is Professional Engineering Consultants (PEC) Corporation in Baton Rouge, LA.

City of Alexandria, Loan #1 (\$4,390,000)

The City of Alexandria will use its DWRLF loan to replace approximately 22,000-feet of water main in the Garden District area of their distribution system along Jackson, Marye, and Albert Streets. Additionally, the proposed project will include the construction of two glass-lined ground storage tanks with force draft aerators and on-site booster stations at two of their existing well sites. The engineering firm for the project is Pan American Engineers in Alexandria, LA.

East Allen Parish Water Works District (\$1,285,000)

The East Allen Parish Water Works District will use its DWRLF loan to install a new water well, repair existing water storage tanks, replace the chlorination system at the water plant, and install a new finished water flow meter at the water plant. Additional project improvements consist of the procurement of automated water meters and the replacement of selected water mains in its distribution system. The engineering firm for the project is Meyer and Associates in Sulphur, LA.

City of Ville Platte, Loan #1 (\$4,050,000)

The City of Ville Platte will use its DWRLF loan to overhaul its outdated water system. Ville Platte is replacing many of the city's failing steel, cast iron and asbestos concrete water lines. The city will also paint and clean Ville Platte's water towers. The engineering firm for the project is Ronny Landreneau Engineers in Ville Platte, LA.

United Water System, Inc., Loan #2 (\$952,000)

The United Water System, Inc. will use its DWRLF loan to install larger water mains. The system will also add a new 97,000-gallon drinking water storage tank. The engineering firm for the project is Morgan Goudeau Engineers in Opelousas, LA.

Town of Blanchard, Loan #1 (\$3,657,000)

The City of Blanchard Water System will use its DWRLF loan to install new water distribution lines, rehabilitate an existing 100,000-gallon drinking water storage tank and install automated water meters. The engineering firm for the project is Balar Engineers in Shreveport, LA.

Desoto Waterworks District No. 1, Loan#2 (\$2,360,000)

Desoto Waterworks District No. 1 will use its DWRLF loan to install a third pump at the existing raw water intake, install a membrane filtration system in replacement of the existing dual-media rapid sand filtration system, install an intermediate storage reservoir, pumping station, and in-line straining equipment for pretreated water required by the membrane filtration system, install one additional ground storage tank clearwell, install a new high service/backwash pumping station, and install new associated control and instrumentation systems. The engineering firm for the project is Balar Engineers in Shreveport, LA.

Bayou Des Cannes Water System, Inc. (\$2,222,520)

The Bayou Des Cannes Water System, Inc. will use its DWRLF loan to install two new 800-GPM water wells, and construct a new treatment facility to remove iron, manganese, and hardness from the source groundwater. The engineering firm for the project is Aucoin and Associates in Eunice, LA.

City of Thibodaux (\$6,400,000)

The City of Thibodaux will use its DWRLF loan to replace about 61,000-feet of outdated water mains located near the center of the city. The current 2 and 4-inch lines are more than 50-years old and are inadequate to meet current demands. The engineering firm for the project is Badeaux Engineering in Thibodaux, LA.

City of Natchitoches, Loan #2 (\$5,000,000)

The City of Natchitoches will use its DWRLF loan to increase drinking water production and storage. The city plans to rehabilitate Water Treatment Plant Number 1 and an abandoned 1 million gallon drinking water storage tank. Natchitoches will also build a new high service distribution pump station. The engineering firm for the project is Nassif Engineering in Natchitoches, LA.

City of Mansfield, Loan #1 (\$4,120,000)

The City of Mansfield will use its DWRLF loan to upgrade the existing distribution system, and replace existing meters with automatic read meters. The engineering firm for the project is Balar Engineers in Shreveport, LA.

New Orleans Sewerage and Water Board, Loan #1 (\$3,400,000)

The Sewerage and Water Board of New Orleans will use its DWRLF loan for the conversion of its Carrollton Water Purification Plant from a gas-based chlorine treatment system to a liquid-based sodium hypochlorite system. The conversion of the existing chlorine purification system will eliminate the potential for a dangerous chemical release and make the plant safer for the community. The engineering firm for the project is CDM in New Orleans, LA.

Town of Delhi, Loan #1(\$7,500,000)

The Town of Delhi will use its DWRLF loan to install a new water well, a new ground storage tank, a new chlorination system, a new elevated storage tank, new booster pumps, new transmission mains and

distribution lines. The engineering firm for the project is Meyer, Meyer, Lacroix and Hixson in Alexandria, LA.

Consolidated WWD #1 of Terrebonne Parish (\$1,900,000)

The Consolidated Waterworks District Number 1 of Terrebonne Parish will be using its loan to replace an existing deteriorated 3 million gallon ground water storage tank. Additionally, the North and South Terrebonne Standpipe Pumps will be replaced and the control systems renovated at both sites. The engineering firm for the project is GSE Associates, LLC in Houma, LA.

Livingston Ward 2, Loan #3(\$4,000,000)

Ward 2 of Livingston Parish will be using its loan to rehabilitate an existing 200,000-gallon elevated steel storage tank (EST), replace approximately 13 miles of 8 and 12-inch PVC water mains, install a 1000-GPM water well, and install a 500,000-gallon circular concrete ground storage tank located in Arbor Walk Subdivision. The engineering firm for the project is Owen and White in Baton Rouge, LA.

Livingston Ward 2, Loan #4 (\$8,000,000)

Ward 2 of Livingston Parish will be using its loan to install 4 new water wells, 3 new storage tanks, booster pumps, back-up generators, repair/repaint 2 elevated storage tanks, extend several water mains, and construct additions to their storage building. The engineering firm for the project is Owen and White in Baton Rouge, LA.

City of Alexandria, Loan #2 (\$7,610,000)

The City of Alexandria will use its DWRLF loan to rehabilitate three existing water wells in the Downtown-McNutt Well Field, install two new wells, and replace approximately 28,000 linear feet of water mains in Alexandria's "Old System Areas" distribution system. The engineering firm for the project is Pan American Engineers in Alexandria, LA.

City of Mansfield, Loans #2 and #3(\$4,830,000)

The City of Mansfield will use its DWRLF loan to make general improvements at the water treatment plant including constructing a new clarifier, installing rewash piping, constructing operator's offices, installing chemical feed systems. They will also be using the funds to install new emergency generators at two booster station sites, the main water plant, and raw water intake, install 152,000 linear feet of 6"-12" water mains, install 1,600 water services, install 2,756 water meters, install 257 fire hydrants, install 174 gate valves, install 100 tapping sleeves, and make other related distribution system improvements. The engineering firm for the project is Balar Engineers in Shreveport, LA.

Avoyelles Ward One Water System, Inc. (\$1,550,000)

The Avoyelles Ward One Water System will use its DWRLF loan to construct a new 200,000-gallon elevated water storage tank (EST) and install approximately 30,000 linear feet of 2 to 12-inch PVC water main with fire hydrants, valves, and related work. The engineering firm for the project is Meyer, Meyer, LaCroix & Hixson, Inc., in Alexandria, LA.

City of Winnfield (\$2,500,000)

The City of Winnfield will use its DWRLF loan to upgrade four (4) existing water wells, the water treatment plant, and some distribution piping associated with the wells. The engineering firm for the project is Environmental Engineering Services, Inc. in LaPlace, LA.

City of Pearl River (\$1,800,000)

The City of Pearl River will use its DWRLF loan to install a new 250,000-gallon Elevated Storage Tank (EST) with control valves. The engineering firm for the project is Environmental Engineering Services, Inc. in LaPlace, LA.

EXHIBITS

State Fiscal Year 2012

City of Alexandria - 2	10/11/11		\$7,610,000		2.95%, 20 years
City of Mansfield, Loan #2	11/10/11	\$1,550,000			2.95%, 20 years
Avoyelles Ward One Water System	12/28/11	\$1,550,000			2.95%, 20 years
City of Mansfield, Loan #3	01/06/12	\$3,280,000			2.95%, 20 years
City of Winnfield	02/16/12	\$2,500,000			2.95%, 20 years
City of Pearl River	04/13/12	\$1,800,000			2.95%, 20 years

State Fiscal Year 2012

Livingston Ward 2, Loan #4	\$2,398,818	\$3,495,158	\$1,911,798	\$194,226	
City of Alexandria - 2		\$2,843,306	\$4,766,694		
City of Mansfield, Loan #2			\$895,407	\$654,593	
Avoyelles Ward One Water System	\$492,799		\$1,057,201		
City of Mansfield, Loan #3			\$1,894,797	\$1,385,203	
City of Winnfield		\$617,503	\$1,882,497		
City of Pearl River	\$1,225,987		\$574,013		

Exhibit III-A
Disbursements by Project/Fiscal Quarter-BASE PROGRAM
July 1, 2011 through June 30, 2012

Project	Disbursement	Disbursement	Loan Disbursements by Quarter			
	Date	Amount	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Alexandria 1079001-01B	7/19/2011	\$152,207.50	152207.50			
	11/28/2011	\$117,895.86		117895.86		
	3/27/2012	\$116,449.95			\$116,449.95	
	4/17/2012	\$43,929.92				43929.92
	Total	\$430,483.23	\$152,207.50	\$117,895.86	\$116,449.95	\$43,929.92
Alexandria 1079001-02	10/11/11	\$1,076,697.60		\$1,076,697.60		
	11/29/11	\$305,576.16		\$305,576.16		
	12/13/11	\$159,836.76		\$159,836.76		
	01/11/12	\$297,697.48			\$297,697.48	
	02/10/12	\$287,144.39			\$287,144.39	
	03/27/12	\$271,776.60			\$271,776.60	
	04/10/12	\$117,490.11				\$117,490.11
	05/15/12	\$296,720.50				\$296,720.50
	06/22/12	\$256,871.61				\$256,871.61
	06/29/12	\$575,352.02				\$575,352.02
	Total	\$3,645,163.23	\$0.00	\$1,542,110.52	\$856,618.47	\$1,246,434.24
Ascension Water Company 1005194-02	7/29/2011	\$973,004.05	\$973,004.05			
	Total	\$973,004.05	\$973,004.05	\$0.00	\$0.00	\$0.00
Avoyelles Ward 1 Water System 1009016-01	12/28/11	\$50,000.00		\$50,000.00		
	02/24/12	\$348,781.32			\$348,781.32	
	03/20/12	\$62,089.52			\$62,089.52	
	04/03/12	\$315,414.27				\$315,414.27
	05/11/12	\$170,676.80				\$170,676.80
	06/08/12	\$128,746.55				\$128,746.55
	Total	\$1,075,708.46	\$0.00	\$50,000.00	\$410,870.84	\$614,837.62
City of Baker	3/23/2012	\$25,888.11			\$25,888.11	
	5/15/2012	\$103,987.10				\$103,987.10
	6/15/2012	\$13,730.75				\$13,730.75
	Total	\$143,605.96	\$0.00	\$0.00	\$25,888.11	\$117,717.85
Bayou Des Cannes 1039016-01B	07/22/11	\$177,354.58	\$177,354.58			
	10/04/11	\$80,604.22		\$80,604.22		
	11/04/11	\$13,098.07		\$13,098.07		
	12/02/11	\$10,471.20		\$10,471.20		
	01/23/12	\$7,367.31			\$7,367.31	
	05/04/12	\$3,009.11				\$3,009.11
	Total	\$291,904.49	\$177,354.58	\$104,173.49	\$7,367.31	\$3,009.11
Buckeye WD #50, Inc. #1079004-02B	7/22/2011	\$1,207.53	\$1,207.53			
	8/2/2011	\$550.67	\$550.67			
	Total	\$1,758.20	\$1,758.20	\$0.00	\$0.00	\$0.00
Calcasieu WWD #8, Loan 2 1019118-1B	10/21/2011	\$9,003.24		\$9,003.24		
	Total	\$9,003.24	\$0.00	\$9,003.24	\$0.00	\$0.00
Delhi 1083002-01	8/29/2011	\$114,561.74	\$114,561.74			
	Total	\$114,561.74	\$114,561.74	\$0.00	\$0.00	\$0.00

Exhibit III-A
Disbursements by Project/Fiscal Quarter-BASE PROGRAM
July 1, 2011 through June 30, 2012

Project	Disbursement Date	Disbursement Amount	Loan Disbursements by Quarter			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
East Allen	05/01/12	\$19,959.53				\$19,959.53
1003011-01B	06/01/12	\$30,203.63				\$30,203.63
	Total	\$50,163.16	\$0.00	\$0.00	\$0.00	\$50,163.16
Franklin	07/22/11	\$93,543.10	\$93,543.10			
1101003-01B	11/01/11	\$8,406.30		\$8,406.30		
	11/29/11	\$61,446.00		\$61,446.00		
	Total	\$163,395.40	\$93,543.10	\$69,852.30	\$0.00	\$0.00
Gardner	07/19/11	\$43,056.30	\$43,056.30			
1079010-01B	06/05/12	\$6,799.54				\$6,799.54
	Total	\$49,855.84	\$43,056.30	\$0.00	\$0.00	\$6,799.54
Kolin-Ruby-Wise	08/23/11	\$5,802.06	\$5,802.06			
10790231-01B						
	Total	\$5,802.06	\$5,802.06	\$0.00	\$0.00	\$0.00
Livingston Parish	07/22/11	\$230,629.39	\$230,629.39			
Ward 2 Loan 3	08/09/11	\$97,545.37	\$97,545.37			
#1063039-03	09/02/11	\$51,045.83	\$51,045.83			
	10/14/11	\$323,317.75		\$323,317.75		
	12/15/11	\$177,263.67		\$177,263.67		
	01/30/12	\$180,657.04			\$180,657.04	
	02/24/12	\$52,434.55			\$52,434.55	
	Total	\$1,112,893.60	\$379,220.59	\$500,581.42	\$233,091.59	\$0.00
Livingston Parish	11/30/11	\$201,847.13		\$201,847.13		
Ward 2 Loan 4	01/26/12	\$104,864.76			\$104,864.76	
#1063039-04	03/16/12	\$42,419.89			\$42,419.89	
	04/10/12	\$99,899.80				\$99,899.80
	05/04/12	\$31,422.65				\$31,422.65
	06/05/12	\$99,079.78				\$99,079.78
	Total	\$579,534.01	\$0.00	\$201,847.13	\$147,284.65	\$230,402.23
Mansfield	11/15/2011	\$32,843.64		\$32,843.64		
10031009-01B	2/3/2011	\$120,636.89			\$120,636.89	
	Total	\$153,480.53	\$0.00	\$32,843.64	\$120,636.89	\$0.00
Mansfield	11/08/11	\$172,401.85		\$172,401.85		
10031009-02	01/26/12	\$410,754.91			\$410,754.91	
	02/17/12	\$562,113.81			\$562,113.81	
	03/23/12	\$404,729.43			\$404,729.43	
	Total	\$1,550,000.00	\$0.00	\$172,401.85	\$1,377,598.15	\$0.00
Mansfield	01/06/12	\$345,091.69			\$345,091.69	
10031009-03	03/23/12	\$111,846.09			\$111,846.09	
	04/17/12	\$304,556.12				\$304,556.12
	06/01/12	\$719,994.78				\$719,994.78
	06/22/12	\$285,270.13				\$285,270.13
	Total	\$1,766,758.81	\$0.00	\$0.00	\$456,937.78	\$1,309,821.03
Morgan City 1W	1/24/2012	\$4,164.39			\$4,164.39	
1101005-01W	6/5/2012	\$834.05				\$834.05
	Total	\$4,998.44	\$0.00	\$0.00	\$4,164.39	\$834.05
Natchitoches WWD #2	10/4/2011	\$26,634.00		\$26,634.00		
1069006	2/10/2012	\$59,951.50			\$59,951.50	
	4/17/2012	\$72,696.45				\$72,696.45
	5/4/2012	\$23,275.00				\$23,275.00
	6/1/2012	\$26,552.50				\$26,552.50
	Total	\$209,109.45	\$0.00	\$26,634.00	\$59,951.50	\$122,523.95

Exhibit III-A
Disbursements by Project/Fiscal Quarter-BASE PROGRAM
July 1, 2011 through June 30, 2012

Project	Disbursement Date	Disbursement Amount	Loan Disbursements by Quarter			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
New Orleans Sewage & Water Bd. 1071009-01B	07/19/11	\$97,470.00	\$97,470.00			
	10/11/11	\$73,048.25		\$73,048.25		
	12/02/11	\$60,420.00		\$60,420.00		
	03/06/12	\$116,755.45			\$116,755.45	
	03/29/12	\$109,945.24			\$109,945.24	
	Total	\$457,638.94	\$97,470.00	\$133,468.25	\$226,700.69	\$0.00
Town of Pearl River 1103157	4/13/2012	\$112,014.43				\$112,014.43
	Total	\$112,014.43	\$0.00	\$0.00	\$0.00	\$112,014.43
Savoy Swords #1097024-02B	07/19/11	\$46,534.84	\$46,534.84			
	10/04/11	\$102,645.03		\$102,645.03		
	12/15/11	\$31,500.00		\$31,500.00		
	03/06/12	\$27,720.00			\$27,720.00	
	Total	\$208,399.87	\$46,534.84	\$134,145.03	\$27,720.00	\$0.00
Shreveport #4 1017031-04B	7/22/11	\$337,801.87	\$337,801.87			
	10/14/11	\$404,274.48		\$404,274.48		
	10/28/11	\$486,782.76		\$486,782.76		
	1/24/11	\$860,486.10			\$860,486.10	
	Total	\$2,089,345.21	\$337,801.87	\$891,057.24	\$860,486.10	\$0.00
Southwest Allen 1003009-01B	12/13/11	\$99,141.33		\$99,141.33		
	1/6/12	\$28,591.20			\$28,591.20	
	Total	\$127,732.53	\$0.00	\$99,141.33	\$28,591.20	\$0.00
Thibodaux 1057003-01B	07/29/11	\$69,816.79	\$69,816.79			
	09/09/11	\$1,687.00		\$1,687.00		
	12/19/11	\$101,360.80		\$101,360.80		
	01/06/12	\$8,268.92			\$8,268.92	
	01/30/12	\$311,218.77			\$311,218.77	
	03/02/12	\$78,107.18			\$78,107.18	
					\$133,656.77	
	Total	\$570,459.46	\$69,816.79	\$103,047.80	\$531,251.64	\$0.00
United Water Co., Inc. #1099009-02B	12/9/2011	\$14,452.62		\$14,452.62		
	Total	\$14,452.62	\$0.00	\$14,452.62	\$0.00	\$0.00
Ville Platte 1039010-01B	6/15/2012	\$64,837.56				\$64,837.56
	Total	\$64,837.56	\$0.00	\$0.00	\$0.00	\$64,837.56
Winnfield 1127012-01	2/16/2012	\$88,935.04			\$88,935.04	
	5/1/2012	\$167,612.23				\$167,612.23
	Total	\$256,547.27	\$0.00	\$0.00	\$88,935.04	\$167,612.23
TOTAL LOAN DISBURSEMENTS		\$16,232,611.79	\$2,492,131.62	\$4,202,655.72	\$5,580,544.30	\$4,090,936.92

Exhibit III-B
Disbursements by Project/Fiscal Quarter-ARRA
July 1, 2011 through June 30, 2012

Project	Disbursement	Disbursement	Loan Disbursements by Quarter			
	Date	Amount	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Baker	7/22/2011	\$ 134,049.32	134049.32			
1033003-01A						
	Total	\$ 134,049.32	\$ 134,049.32	\$ -	\$ -	\$ -
Bayou Des Cannes	7/22/2011	\$ 76,009.11	\$ 76,009.11			
1039016-01A	10/4/2011	\$ 34,544.66		\$ 34,544.66		
	11/4/2011	\$ 5,613.46		\$ 5,613.46		
	12/2/2011	\$ 4,487.66		\$ 4,487.66		
	1/24/2012	\$ 3,157.42			\$ 3,157.42	
	5/4/2012	\$ 1,289.62				\$ 1,289.62
	Total	\$ 125,101.93	\$ 76,009.11	\$ 44,645.78	\$ 3,157.42	\$ 1,289.62
Blanchard	8/19/2011	\$ 37,385.50	\$ 37,385.50			
1017006-01A	2/14/2012	\$ 97,826.90			\$ 97,826.90	
	Total	\$ 135,212.40	\$ 37,385.50	\$ -	\$ 97,826.90	\$ -
Bogalusa	8/19/2011	\$47,104.06	\$47,104.06			
1117001-01A	10/7/2011	\$163,452.06		\$163,452.06		
	2/10/2012	\$95,354.96			95354.96	
	2/17/2012	\$170,878.54			170878.54	
	3/30/2012	\$39,642.68			\$39,642.68	
	4/24/2012	\$168,189.98				\$168,189.98
	5/25/2012	\$54,126.02				\$54,126.02
	Total	\$738,748.30	\$47,104.06	\$163,452.06	\$305,876.18	\$222,316.00
Buckeye WD #50, Inc.	7/22/2011	\$1,811.30	\$1,811.30			
#1079004-02A	8/2/2011	(\$550.65)	(\$550.65)			
		(\$0.02)	(\$0.02)			
	Total	\$1,260.63	\$1,260.63	\$0.00	\$0.00	\$0.00
Calcasieu WWD #8	10/21/2011	\$157,158.60		\$157,158.60		
	Total	\$157,158.60	\$0.00	\$157,158.60	\$0.00	\$0.00
DeSoto	5/4/2012	\$101,028.00				\$101,028.00
1031030-02A						
	Total	\$101,028.00	\$0.00	\$0.00	\$0.00	\$101,028.00
East Allen	09/20/11	\$60,943.60	\$60,943.60			
1003011-01A	01/10/12	\$5,201.80			\$5,201.80	
	03/20/12	\$169,860.46			\$169,860.46	
	05/01/12	\$9,295.00				\$9,295.00
	06/01/12	\$12,944.41				\$12,944.41
	Total	\$258,245.27	\$60,943.60	\$0.00	\$175,062.26	\$22,239.41
Franklin	07/22/11	\$40,089.90	\$40,089.90			
1101003-01A	11/01/11	\$3,602.70		\$3,602.70		
	11/26/11	\$26,334.00		\$26,334.00		
	Total	\$70,026.60	\$40,089.90	\$29,936.70	\$0.00	\$0.00
Gardner	07/19/11	\$18,452.70	\$18,452.70			
1079010-01A	06/05/12	\$2,914.09				\$2,914.09
	Total	\$21,366.79	\$18,452.70	\$0.00	\$0.00	\$2,914.09

Exhibit III-B
Disbursements by Project/Fiscal Quarter-ARRA
July 1, 2011 through June 30, 2012

Project	Disbursement	Disbursement	Loan Disbursements by Quarter			
	Date	Amount	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Iberville WWD#2	07/19/11	\$36,987.82	\$36,987.82			
1047007-01A	09/09/11	\$24,600.36	\$24,600.36			
	10/28/11	\$88,537.95		\$88,537.95		
	Total	\$150,126.13	\$61,588.18	\$88,537.95	\$0.00	\$0.00
Kolin-Ruby-Wise	08/23/11	\$2,486.59	\$2,486.59			
1079023-01A						
	Total	\$2,486.59	\$2,486.59	\$0.00	\$0.00	\$0.00
Mansfield	8/12/2011	\$203,089.70	\$203,089.70			
10031009-01A	9/27/2011	\$89,941.56	\$89,941.56			
	11/15/2011	\$13,176.64		\$13,176.64		
	Total	\$306,207.90	\$293,031.26	\$13,176.64	\$0.00	\$0.00
Morgan City 1A	7/22/2011	\$186,558.31	\$186,558.31			
1101005-01A	7/22/2011	\$35,040.00	\$35,040.00			
	8/2/2011	\$102,049.14	\$102,049.14			
	11/4/2011	\$97,198.93		\$97,198.93		
	1/24/2012	\$1,521.11			\$1,521.11	
	Total	\$422,367.49	\$323,647.45	\$97,198.93	\$1,521.11	\$0.00
City of Natchitoches	10/11/2011	\$38,860.00		\$38,860.00		
10069007-02A	4/24/2012	\$288,566.00				\$288,566.00
	Total	\$327,426.00	\$0.00	\$38,860.00	\$0.00	\$288,566.00
New Orleans Sewage & Water Board	7/19/2011	\$81,700.00	\$81,700.00			
1071009-01A	7/19/2011	\$146,205.00	\$146,205.00			
	10/11/2011	\$109,572.38		\$109,572.38		
	12/2/2011	\$90,630.00		\$90,630.00		
	3/6/2012	\$175,133.17			\$175,133.17	
	3/29/2012	\$164,917.87			\$164,917.87	
	Total	\$768,158.42	\$227,905.00	\$200,202.38	\$340,051.04	\$0.00
Pollock	7/22/2011	\$70,137.50	\$70,137.50			
1043007-01A						
	Total	\$70,137.50	\$70,137.50	\$0.00	\$0.00	\$0.00
City of Ruston	10/4/2011	\$59,258.40		\$59,258.40		
1061017-01A	11/22/2011	\$162,974.00		162974		
	Total	\$222,232.40	\$0.00	\$222,232.40	\$0.00	\$0.00
Savoy Swords	07/19/11	\$19,943.51	\$19,943.51			
#1097024-02A	10/04/11	\$43,990.73		\$43,990.73		
	12/16/11	\$13,500.00		\$13,500.00		
	03/06/12	\$11,880.00			\$11,880.00	
	Total	\$89,314.24	\$19,943.51	\$57,490.73	\$11,880.00	\$0.00
Southwest Allen	10/28/11	\$27,680.02		\$27,680.02		
1003009-01A	12/13/11	\$210,471.16		\$210,471.16		
	1/10/12	\$12,253.37			\$12,253.37	
	Total	\$250,404.55	\$0.00	\$238,151.18	\$12,253.37	\$0.00

Exhibit III-B
Disbursements by Project/Fiscal Quarter-ARRA
July 1, 2011 through June 30, 2012

Project	Disbursement Date	Disbursement Amount	Loan Disbursements by Quarter			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Thibodaux 1057003-01A	7/29/2011	\$29,921.48	\$29,921.48			
	9/9/2011	\$723.00	\$723.00			
	12/19/2011	\$43,440.35		\$43,440.35		
	1/9/2012	\$3,543.82			\$3,543.82	
	1/31/2012	\$133,379.47			\$133,379.47	
	3/2/2012	\$33,474.50			\$33,474.50	
	3/29/2012	\$57,281.47			\$57,281.47	
	4/10/2012	\$40,824.46				\$40,824.46
	5/4/2012	\$23,477.46				\$23,477.46
	6/26/2012	\$75,362.05				\$75,362.05
	3/29/2012	\$133,656.77			\$133,656.77	
	4/10/2012	\$95,257.06				\$95,257.06
	5/4/2012	\$54,780.74				\$54,780.74
	6/26/2012	\$173,360.27				\$173,360.27
	Total	\$898,482.90	\$30,644.48	\$43,440.35	\$361,336.03	\$463,062.04
United Water Co., Inc. #1099009-02A	12/9/2011	\$6,193.98		\$6,193.98		
	Total	\$6,193.98	\$0.00	\$6,193.98	\$0.00	\$0.00
Ville Platte 1039010-01A	7/21/2011	\$167,661.29	\$167,661.29			
	9/2/2011	\$139,843.35	\$139,843.35			
	10/11/2011	\$134,721.84		\$134,721.84		
	11/21/2011	\$141,311.25		\$141,311.25		
	12/21/2011	\$142,503.07		\$142,503.07		
	1/24/2012	\$272,001.08			\$272,001.08	
	1/31/2012	\$83,395.52			\$83,395.52	
	3/29/2012	\$105,338.56			\$105,338.56	
	4/24/2012	\$60,858.13				\$60,858.13
	5/24/2012	\$55,103.50				\$55,103.50
	6/15/2012	\$18,603.71				\$18,603.71
	Total	\$1,321,341.30	\$307,504.64	\$418,536.16	\$460,735.16	\$134,565.34
Walker 1063017-01A	10/4/2011	\$73,870.00		\$73,870.00		
	3/20/2012	\$13,326.20			13326.2	
	Total	\$87,196.20	\$0.00	\$73,870.00	\$13,326.20	\$0.00
Westlake 1019054-02A	10/21/2011	\$153,155.34		\$153,155.34		
	Total	\$153,155.34	\$0.00	\$153,155.34	\$0.00	\$0.00
TOTAL LOAN DISBURSEMENTS		\$ 6,817,428.78	\$ 1,752,183.43	\$ 2,046,239.18	\$ 1,783,025.67	\$ 1,235,980.50

Exhibit IV-A
Drinking Water Revolving Loan Fund
Loan Principal Repayments – Base Program
July 1, 2011 through June 30, 2012

	Loan	Repayment During SFY2012
1	City of Alexandria #1B	\$127,000.00
2	Ascension	\$245,000.00
3	Ascension Water Co. #2	\$185,000.00
4	Ascension Consolidated Utilites District, Loan 1B	\$28,000.00
5	City of Baker, Loan 1B	\$87,000.00
6	Baldwin	\$64,000.00
7	Bayou Des Cannes Water System, Inc. Loan 1B	\$56,000.00
8	City of Blanchard Loan 1B	\$107,000.00
9	Town of Bogalusa 1B	\$118,000.00
10	Buckeye Water District #50	\$15,000.00
11	Buckeye Loan 2 - B	\$17,000.00
12	Calcasieu #8-1B	\$10,000.00
13	Calcasieu #8-1C	\$9,000.00
14	Churchpoint	\$135,000.00
15	Colyell Community WS	\$0.00
16	Colyell Community WS Loan 2	\$0.00
17	Culbertson Water System, Inc.	\$75,000.00
18	Delhi	\$265,000.00
19	DeSoto Water District	\$108,000.00
20	DeSoto Water District, Loan 2B	\$65,000.00
21	East Allen Parish Water District, 1-B	\$29,000.00
22	City of Franklin	\$76,000.00
23	French Settlement	\$28,000.00
24	Gardner 1B	\$33,000.00
25	Iberville WWD #2, Loan 1B	\$51,000.00
26	Kolin-Raby Wise Water System, Inc. 1-B	\$16,000.00
27	LAWCO - New Iberia	\$235,000.00
28	LAWCO - New Iberia #2	\$130,000.00
29	Lafayette WWD North	\$87,000.00
30	Livingston Ward 2	\$430,000.00
31	Livingston Ward 2 - Loan 2	\$254,000.00
32	Livingston Ward 2 - Loan 3	\$170,000.00
33	Mansfield, Loan 1B	\$103,000.00
34	Many #3	\$170,191.67
35	Monroe #1	\$120,000.00
36	Morgan City 1B	\$60,000.00
37	Morgan City 1W	\$45,000.00
38	Natchitoches, City of	\$161,000.00
39	Natchitoches, City of, Loan 2B	\$77,000.00
40	Natchitoches Parish WWD #2	\$103,000.00
41	New Orleans Sewerage & Water Board, 1-B	\$37,000.00
42	Oakdale	\$81,000.00
43	Point Wilhite	\$38,000.00
44	Town of Pollock, Loan 1B	\$371,000.00
45	Quitman	\$22,000.00

Exhibit IV-A (continued)
Drinking Water Revolving Loan Fund
Loan Principal Repayments – Base Program
July 1, 2011 through June 30, 2012

	Loan	Repayment During SFY2012
46	Ruston 1B	\$53,000.00
47	Savoy Swords	\$34,000.00
48	Savoy Swords, 2B	\$20,000.00
49	Shreveport #1	\$325,000.00
50	Shreveport #2	\$325,000.00
51	Shreveport#3	\$255,000.00
52	Shreveport #4B	\$280,000.00
53	Town of Slaughter #1	\$29,000.00
54	Town of Slaughter #2	\$23,522.90
55	Southwest Allen Parish WWD#2, 1-B	\$24,000.00
56	City of Springhill	\$274,000.00
57	WWD#1 of Terrebonne	\$75,000.00
58	City of Thibodaux 1-B	\$87,000.00
59	United Water System, Inc.	\$13,000.00
60	United Water System, Inc., 2B	\$19,000.00
61	City of Ville Platte, 1-B	\$17,000.00
62	City of Walker 1-B	\$15,300.00
63	Westlake, City of	\$155,000.00
64	Westlake, City of #2B	\$82,000.00
65	West Winnsboro #2	\$18,000.00
		\$6,767,014.57

Exhibit IV-A
Drinking Water Revolving Loan Fund
Loan Principal Repayments – ARRA
July 1, 2011 through June 30, 2012

	Loan	Repayment During SFY2012
1	Baker	\$12,000.00
2	Bogalusa	\$13,000.00
3	Buckeye Loan 2A	\$13,000.00
4	Calcasieu #8 Loan 1A	\$8,000.00
5	Iberville 1A	\$38,000.00
6	City of Natchitoches	\$12,000.00
7	New Orleans SWB 1A	\$53,000.00
8	Ruston	\$28,100.00
9	Shreveport 4A	\$39,000.00
10	Ville Platte 1A	\$8,000.00
		\$224,100.00

Exhibit V
Set-Aside Chart

			NEW SET-ASIDES RESERVED						SPECIFIED FUNDS				RECLAIMED SPECIFIED FROM AVAILABLE UNSPECIFIED			
GRANT YEAR	GRANT NUMBER	GRANT AMOUNT	4% ADMIN.	2% TECH	10% STATE	15% LOCAL	TOTAL Grant Yr.	% Reserved	4% ADMIN.	2% TECH	10% STATE	15% LOCAL	4% ADMIN.	2% TECH	10% STATE	15% LOCAL
	FS99698-															
1997	01	20,420,300	\$816,812	408,406	2,042,030	2,042,030	5,309,278	26.00%	700,403	168,100	1,396,523	2,042,030	-	-	-	-
1998	02	9,949,200	\$397,968	198,984	994,920	-	1,591,872	16.00%	397,968	161,100	994,920	-	-	-	-	-
1999	03	10,427,700	\$417,108	208,554	1,042,770	97,684	1,766,116	16.94%	415,737	161,100	968,406	97,684			-	-
2000	04	10,837,400	\$433,496	216,748	1,083,740	-	1,733,984	16.00%	425,511	161,100	1,083,740	-		-	-	-
2001	05	18,934,800	\$757,392	378,696	1,893,480	-	3,029,568	16.00%	-	-	-	-	-	-	-	-
2003	06	8,004,100	\$320,164	160,082	800,410	11,487	1,292,143	16.14%	290,000	160,082	800,410	11,487		9,918	39,590	-
2004	07	8,303,100	\$332,124	166,062	830,310	-	1,328,496	16.00%	332,124	166,062	830,310	-	67,876	3,938	69,690	-
2005	08	8,285,500	\$331,420	165,710	828,550	-	1,325,680	16.00%	230,000	165,710	750,000	-	-	19,290	-	-
2006	09	11,658,600	\$466,344	233,172	1,165,860		1,865,376	16.00%	-	233,172	1,165,860	-	-	3,490	109,140	-
2007	10	11,659,000	\$466,360	233,180	1,165,900		1,865,440	16.00%	-	233,180	-	-	-	3,482	-	-
2008	11	11,540,000	\$461,600	230,800	1,154,000		1,846,400	16.00%	461,600	200,000	1,154,000	-	38,400		146,000	-
2009	ARRA	27,626,000	\$1,105,040	552,520	2,762,600		4,420,160	16.00%	315,000		-	-				-
2009	12	11,540,000	\$461,600	230,800	1,154,000		1,846,400	16.00%	461,600		1,154,000	-	138,400		146,000	-
2010	13	25,649,000	\$1,025,960	512,980	2,564,900		4,103,840	16.00%	525,000	100,000	1,800,000	-				-
2011	14	17,798,000	\$711,920	355,960	1,779,800		2,847,680	16.00%	450,000	100,000	1,600,000	415,000				
Totals		212,632,700	\$8,505,308	4,252,654	21,263,270	2,151,201	36,172,433									

[illegible]

Exhibit VI – DWRLF binding Commitments Required

FED	FEDERAL GRANT PAYMENT				REQUIRED	Associated					
QTR/ YEAR	2F96692001 ARRA	9969812 2009	9969813 2010	9969814 2011	times 120%	Set Aside Amounts (sp)	REQUIRED COMMIT.	COMM. CUMULATIVE	ACTUAL COMMIT.		ACTUAL COMMIT. CUMULATIVE
1/09					\$3,497,648	\$218,541	\$3,279,108	\$111,191,673	\$4,503,000	z	\$120,431,700
2/09					\$3,497,639	\$218,540	\$3,279,098	\$114,470,771	\$900,000	aa	\$121,331,700
3/09	\$6,906,500				\$3,497,639	\$218,540	\$3,279,098	\$117,749,869			\$121,331,700
4/09	\$6,906,500	\$1,442,500			\$5,228,639	\$468,540	\$4,760,098	\$122,509,968	(\$5,150,000)	bb	\$116,181,700
01/10	\$6,906,500	\$1,442,500			\$3,479,849	\$279,583	\$3,200,266	\$125,710,234	\$19,310,000	cc	\$135,491,700
02/10	\$6,906,500	\$1,442,500			\$3,479,849	\$279,583	\$3,200,266	\$128,910,500	\$56,031,520	dd	\$191,523,220
03/10		\$1,442,500			\$11,767,649	\$358,333	\$11,409,316	\$140,319,816			\$191,523,220
04/10		\$1,442,500			\$13,498,649	\$595,833	\$12,902,816	\$153,222,632	\$4,000,000	ee	\$195,523,220
01/11		\$1,442,500	\$3,206,125		\$11,749,800	\$566,250	\$11,183,550	\$164,406,182	\$1,900,000	ff	\$197,423,220
02/11		\$1,442,500	\$3,206,125		\$11,749,800	\$566,250	\$11,183,550	\$175,589,732			\$197,423,220
03/11		\$1,442,500	\$3,206,125		\$3,462,000	\$487,500	\$2,974,500	\$178,564,232	\$8,000,000	gg	\$205,423,220
04/11			\$3,206,125		\$1,731,000	\$237,500	\$1,493,500	\$180,057,732			\$205,423,220
01/12			\$3,206,125	\$4,449,500	\$5,578,350	\$540,625	\$5,037,725	\$185,095,457	\$10,710,000	hh	\$216,133,220
02/12			\$3,206,125	\$4,449,500	\$5,578,350	\$540,625	\$5,037,725	\$190,133,182	\$5,780,000	ii	\$221,913,220
03/12			\$3,206,125	\$4,449,500	\$5,578,350	\$540,625	\$5,037,725	\$195,170,907	\$1,800,000	jj.	\$223,713,220
04/12			\$3,206,125	\$4,449,500	\$3,847,350	\$303,125	\$3,544,225	\$198,715,132			
01/13					\$9,186,750	\$944,375	\$8,242,375	\$206,957,507			
02/13					\$9,186,750	\$944,375	\$8,242,375	\$215,199,882			
03/13					\$9,186,750	\$944,375	\$8,242,375	\$223,442,257			
04/13					\$9,186,750	\$944,375	\$8,242,375	\$231,684,632			
TOTAL	\$27,626,000	\$11,540,000	\$25,649,000	\$17,798,000	\$255,159,240	\$23,474,608	\$231,684,632		\$223,713,220		

hh. Alexandria-Loan #2 (\$7,610,000), Mansfield-Loan #2(\$1,550,000), Avoyelles (\$1,550,000)

ii. Mansfield-Loan #3(\$3,280,000), Winnfield (\$2,500,000)

jj. Pearl River

Exhibit VI – DWRLF Binding Commitments Required (continued)
Set-asides specified

FED QTR/ YEAR	Set Asides Specified by Grant Year As applied to Grant Payments				Total
	2F-96692001 ARRA	99696812 2009	99696813 2010	99696814 2011	
4/98					\$166,900
1/99					\$295,725
2/99					\$295,725
3/99					\$591,451
4/99					\$785,699
1/00					\$785,699
2/00					\$785,699
3/00					\$785,699
4/00					\$785,699
1/01					\$194,249
2/01					\$194,249
3/01					\$194,249
4/01					\$419,531
1/02					\$419,531
2/02					\$419,531
3/02					\$419,531
4/02					\$419,531
1/03					\$205,366
2/03					\$205,366
3/03					\$205,366
4/03					\$163,936
1/04					\$163,936
2/04					\$163,936
3/04					\$163,936
4/04					\$347,686
1/05					\$347,686
2/05					\$347,686
3/05					\$347,686
4/05					\$329,375
1/06					\$329,375
2/06					\$329,375
3/06					\$329,375
4/06					\$145,625
1/07					\$334,583
2/07					\$334,583
3/07					\$334,583
4/07					\$188,958
1/08					\$218,541
2/08					\$218,540
3/08					\$218,540
4/08					\$468,540
1/09					\$279,583
2/09					\$279,583
3/09	\$78,750				\$358,333
4/09	\$78,750	\$237,500			\$595,833
01/10	\$78,750	\$237,500			\$566,250
02/10	\$78,750	\$237,500			\$566,250
03/10		\$237,500			\$487,500
04/10		\$237,500			\$237,500
01/11		\$237,500	\$303,125		\$540,625
02/11		\$237,500	\$303,125		\$540,625
03/11		\$237,500	\$303,125		\$540,625
04/11			\$303,125		\$303,125
01/12			\$303,125	\$641,250	\$944,375
02/12			\$303,125	\$641,250	\$944,375
03/12			\$303,125	\$641,250	\$944,375
04/12			\$303,125	\$641,250	\$944,375
TOTAL	\$315,000	\$1,900,000	\$2,425,000	\$2,565,000	\$23,474,608

Exhibit VII – DWRLF Fundable List

System Name	PWSID	Est. Loan Amount	Additional Subsidization 5,339,400	Green Project	Fix It First	Points	Rank	Population	Project Description	Est. Date to Close Loan
Beauregard Parish WWD #3	1011008	5,000,000	1,125,000		x	18	8	3,777	The district proposes to install a new water well at their existing LA HWY 26 well site and replace/upgrade selected mains (including installing some new transmission mains) throughout the district in order to improve system pressure and provide for system redundancy.	March-12
Village of Loreauville	1045007	1,310,000	393,000			17	10	960	Construct an 8-inch PVC water line approximately 6.5 miles long to connect to the LAWCO New Iberia Water Supply. This will replace the existing wells and water treatment plant at Loreauville so that they become a purchase water system.	March-12
Vernon Parish Water/Sewer Commission #1	1115071	2,330,000	699,000			16	11	2,680	The proposed project will consist of the construction of a new 250,000-gallon EST (elevated storage tank), a new 900-gpm water well, and 13,000-ft of 8-inch water mains, valves and related work. The additional storage will solve TSS required storage issues, fire flow issues, and pressure issues. The water mains will create also correct pressure issues in specific areas and create a loop that interconnects the two elevated tanks. The new well will add to system redundancy (system has 2 existing wells) should the largest well fail and increase water production capacity to meet increasing demand during peak flow times.	March-12
City of Oakdale	1003006	2,840,000	852,000	X	x	16	13	8,137	Rehabilitation of a donated Elevated Storage Tank (EST) formerly used for fire protection at the now shutdown Arizona Chemical Industrial Park; Connection of the rehabbed EST to the distribution system; Installation of a generator at the main booster station; Installation of an aerator at the remote well site; Replacement of the outdated 'wells to booster pumps to storage tank' communication/telemetry system; Repainting of the ground storage tanks; Replacement of water meters with radio-read meters; and various improvements to the distribution system that include looping dead-end lines and adding valves for additional distribution system isolation.	March-12
Village of Mermentau	1001005	960,000	288,000		x	14	14	721	Installation of a new 150-gpm water treatment facility on existing Village-owned property to replace the Village's defunct existing water treatment plant that was abandoned in 2008. They have been purchasing water since 2008 from Egan Water Corp. (formerly Southwest Acadia Water Corp). The new treatment facility will consist of a new metal building, pressure filter and softener system (to treat water with a high iron content), a backwash settling basin, new electric controls, and new chlorine and potassium permanganate feed systems. The system has 2 existing wells that will be rehabbed as part of this project to provide water to the new treatment facility, so that they are no longer a purchased water system.	March-12
Village of Estherwood	1001003	898,000	269,400		x	14	15	807	Installation of a new 150-gpm water treatment facility on existing Village-owned property to replace the Village's defunct existing water treatment plant that was abandoned in 2008. They have been purchasing water since 2008 from Egan Water Corp. (formerly Southwest Acadia Water Corp). The new treatment facility will consist of a new metal building, pressure filter and softener system (to treat water with a high iron content), a backwash settling basin, new electric controls, and new chlorine and potassium permanganate feed systems. The system has 2 existing wells that will be rehabbed as part of this project to provide water to the new treatment facility, so that they are no longer a purchased water system.	March-12
New Orleans Sewage and Water Board (Loan 2)	1071009	8,600,000	1,125,000		x	12	18	302,191	The project consists of Filter Rehabilitation to provide for media replacement, underdrain cleaning and repairs, and valve and actuator repair or replacement for four to six filters at the Carrollton Plant; a new Sludge Line to the River to provide a separate, redundant plant discharge line to the Mississippi River as well as replacement of the filter backwash wastewater pumps.	July-12
Delhi, Town of (Loan 2)	1083002	1,890,000	567,000	X	x	8	22	4,071	The proposed improvements include replacing water meters with new radio read meters to account for meter error of up to 15%; upgrading the Town's chlorination system to a single location instead of at four well sites; adding a standby generator at one of the well sites to prevent power outages; upgrading various parts of the distribution system by adding valves and replacing selected water mains to provide a more efficient system and reinforce selected areas of low pressure; upgrading the Town's computer and networking system to maximize the potential of the meter read system; and minor renovations to the Town Hall Utility Department office.	January-12
New Llano, City of	1115022	2,500,000	750,000			7	23	2,505	Installation of two (2) water wells, a transmission main, storage tank, and water treatment plant.	June-12
Total		26,328,000	5,780,400							

EXHIBIT VIII
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EXHIBIT VIII
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EXHIBIT X

FED	FEDERAL GRANT PAYMENTS by					State Match Required by State Fiscal Year																
QTR	Grant Year																					
MO/YR	2008(11)	ARRA	2009(12)	2010 (13)	2011 (14)		1998	1999	2000	2001	2002	2003	2004	2005	2006		2007	2008	2009	2010	2011	2012
10/07																		582,940				
01/08																		582,940				
04/08																		582,940				
07/08	\$1,442,500																		871,440			
10/08	\$1,442,500																		579,975			
01/09	\$1,442,500																		579,975			
04/09	\$1,442,500	\$6,906,500																	579,975			
07/09	\$1,442,500	\$6,906,500	\$1,442,500																	579,975		
10/09	\$1,442,500	\$6,906,500	\$1,442,500																	577,000		
01/10	\$1,442,500	\$6,906,500	\$1,442,500																	577,000		
04/10	\$1,442,500		\$1,442,500																	577,000		
07/10			\$1,442,500																		288,500	
10/10			\$1,442,500																		288,500	
01/11			\$1,442,500																		288,500	
04/11			\$1,442,500																		288,500	
07/11				3,206,125																		641,225
10/11				3,206,125																		641,225
01/12				3,206,125																		641,225
04/12				3,206,125																		641,225
07/12				3,206,125	4,449,500																	
10/12				3,206,125	4,449,500																	
01/13				3,206,125	4,449,500																	
04/13				3,206,125	4,449,500																	
07/13																						
10/13																						
01/14																						
04/14																						
07/14																						
TOTAL	11,540,000	27,626,000	11,540,000	25,649,000	17,798,000			1,279,916	3,238,235	1,555,749	2,776,754	3,712,548	2,149,775	1,624,455	1,658,860		1,910,522	2,040,285	2,611,365	2,310,975	1,154,000	2,564,900
						Cumulative match required			4,518,151	6,073,900	8,850,654	12,563,202	14,712,977	16,337,432	17,996,292		19,906,815	21,947,100	24,558,465	26,869,440	28,023,440	30,588,340
			No Match required			Match provided	4,347,105	2,000,000	0	0	8,000,000	0	0	0	7,300,000		0	0	5,000,000 **	5,000,000	10,000,000	
			Verified per grant award												-2,500,000 *				1,000,000 ***			
						Cumulative match provided		6,347,105	6,347,105	6,347,105	14,347,105	14,347,105	14,347,105	14,347,105	19,147,105		19,147,105	19,147,105	25,147,105	30,147,105	40,147,105	40,147,105
						Cumulative match shortage(overage)								365,872	1,990,327	(1,150,813)	759,710	2,799,995	(588,640)	(3,277,665)	(12,123,665)	(9,558,765)
							* \$2500000 remaining on the \$8000000 is cancelled and a new issue of \$7300000 with new terms is executed in December, 2005 (sfy06)															
							** Line of Credit amended to Maximum of 12,300,000 in August, 2008															
							***Line of Credit Increased to 13,300,000 March, 2009															
							Line of Credit Increased to 18,300,000 May, 2010															
							Line of Credit Increased to 28,300,000 September 2010															

EXHIBIT XI

DRINKING WATER REVOLVING LOAN FUND			
DEPARTMENT OF HEALTH & HOSPITALS			
OFFICE OF PUBLIC HEALTH			
STATE OF LOUISIANA			
PROPRIETARY FUND - ENTERPRISE FUND			
STATEMENT OF NET ASSETS, JUNE 30, 2012			
ASSETS			
Current Assets			
Cash in State Treasury (Note 2)			\$36,910,989.00
Receivables - due from others (Note 3)			\$17,535,021.00
Total current assets			\$54,446,010.00
Non-Current Assets - Loans Receivable (Note 3)			\$124,232,467.00
Total assets			\$178,678,477.00
LIABILITIES			
Current Liabilities - Accounts Payable and accruals (Note 7)			\$382,916.00
Non-Current Liabilities - Bonds Payable			\$0.00
Total Liabilities			\$382,916.00
NET ASSETS - Unrestricted			\$178,295,561.00

STATE OF LOUISIANA				
DEPARTMENT OF HEALTH AND HOSPITALS				
OFFICE OF PUBLIC HEALTH				
DRINKING WATER REVOLVING LOAN FUND				
DEPARTMENT OF HEALTH & HOSPITALS				
OFFICE OF PUBLIC HEALTH				
STATE OF LOUISIANA				
PROPRIETARY FUND - ENTERPRISE FUND				
STATEMENT OF REVENUES, EXPENSES, and				
CHANGES IN FUND NET ASSETS				
FOR THE FISCAL YEAR ENDED JUNE 30, 2012				
OPERATING REVENUES:				
Federal funds - set-aside programs			\$2,598,152.00	
Federal Funds - ARRA			\$85,083.00	
Interest earned on loans receivable			4,165,241.00	
Interest earned on cash in state treasury			74,125.00	
Administrative Fees			644,597.00	
Total operating revenues			<u>\$7,567,198.00</u>	
OPERATING EXPENSES:				
Set-aside expenses (Note 5)			\$2,683,235.00	
Bond issuance costs (Note 8)			\$10,395.00	
Interest expense			\$26,504.00	
Commitment Fee			\$12,700.00	
Principal Forgiveness			\$7,188,923.00	
Total Operating Expenses			<u>\$9,921,757.00</u>	
OPERATING INCOME			(\$2,354,559.00)	
Capital Contributions and Transfers			<u>\$19,138,762.00</u>	
CHANGE IN NET ASSETS			\$16,784,203.00	
NET ASSETS - BEGINNING OF YEAR			<u>\$161,511,358.00</u>	
NET ASSETS - END OF YEAR			<u><u>\$178,295,561.00</u></u>	

DRINKING WATER REVOLVING LOAN FUND	
DEPARTMENT OF HEALTH AND HOSPITALS	
OFFICE OF PUBLIC HEALTH	
STATE OF LOUISIANA	
PROPRIETARY FUND - ENTERPRISE FUND	
STATEMENT OF CASH FLOWS	
FOR THE FISCALYEAR ENDED JUNE 30, 2012	
Cash flows from operating activities	
Cash received from interest on loans	\$4,305,549
Cash received from interest on cash in treasury	\$75,491
Cash received from administrative fees	\$662,967
Cash received from repayment of loan principal	\$6,991,115
Cash received from allocations for set-asides	\$2,515,052
Cash payments for set-aside programs	-\$2,515,052
Cash payments to borrowers	-\$23,050,041
Net cash provided by operating activities	-\$11,014,919
Cash flows from noncapital financing activities	
Contributed capital - EPA	\$12,321,333
Contributed capital - EPA - ARRA	\$6,817,429
Proceeds from issuance of bonds	\$1,489,605
Principal paid on bonds	-\$3,500,000
Bond Interest expense	-\$33,825
Bond Commitment Fee	-\$12,700
Net cash provided by noncapital financing activities	\$17,081,842
Net increase in cash	\$6,066,923
Cash at beginning of year	\$30,844,066
Cash at end of year	\$36,910,989
Reconciliation of operating income to net cash used by operating activities	
Operating income	-\$2,354,559
Adjustments to reconcile income to cash	
Bond issue costs	\$10,395
Bond Interest Expense	\$33,825
Bond Commitment Fee	\$12,700
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	-\$9,505
(Increase) decrease in due from others	\$1,366
(Increase) decrease in loans receivable	-\$8,870,003
Increase (decrease) in bonds payable	-\$7,321
Increase (decrease) in accounts payable and accrued expenses	\$168,183
Net cash used by operating activities	-\$11,014,919
Noncash Investing, Capital, and Financing Activities	
Principal Forgiveness on loans	\$7,188,923

DRINKING WATER REVOLVING LOAN FUND				
DEPARTMENT OF HEALTH & HOSPITALS				
OFFICE OF PUBLIC HEALTH				
STATE OF LOUISIANA				
PROPRIETARY FUND - ENTERPRISE FUND				
STATEMENT OF NET ASSETS, by ACCOUNT JUNE 30, 2012				
			ADMINISTRATIVE AND STATE MATCH ACCOUNT	
		LOAN ACCOUNT		TOTAL
ASSETS				
Current Assets:				
Cash in state treasury	\$33,185,048.00		\$3,725,941.00	\$36,910,989.00
Receivables - Due from others	\$17,412,152.00		\$122,869.00	\$17,535,021.00
Total Current Assets	\$50,597,200.00		\$3,848,810.00	\$54,446,010.00
Noncurrent assets - loans receivable	\$124,232,467.00		\$0.00	\$124,232,467.00
Total assets	\$174,829,667.00		\$3,848,810.00	\$178,678,477.00
LIABILITIES				
Current liabilities - accounts payable and accruals	\$382,916.00		NONE	\$382,916.00
Non-Current Liabilities - Bonds Payable	\$ -		NONE	\$0.00
Total Liabilities	\$ 382,916.00			\$ 382,916.00
NET ASSETS - Unrestricted	\$174,446,751.00		\$3,848,810.00	\$178,295,561.00

DRINKING WATER REVOLVING LOAN FUND			
DEPARTMENT OF HEALTH & HOSPITALS			
OFFICE OF PUBLIC HEALTH			
STATE OF LOUISIANA			
PROPRIETARY FUND - ENTERPRISE FUND			
STATEMENT OF REVENUES, EXPENSES, and			
CHANGES IN FUND NET ASSETS, by ACCOUNT			
FOR THE FISCAL YEAR ENDED JUNE 30, 2012			
		ADMINISTRATIVE AND STATE MATCH ACCOUNT	TOTAL
OPERATING REVENUES:	LOAN ACCOUNT		
Federal funds - set aside programs	\$2,598,152.00	\$ -	\$2,598,152
Federal funds - ARRA	\$85,083.00	\$ -	\$85,083
Interest earned on loans receivable	\$ 4,165,241.00	\$ -	\$4,165,241
Interest Earned on cash in State Treasury	\$ 66,841.00	\$ 7,284.00	\$74,125
Administrative Fees	\$ -	\$ 644,597.00	\$644,597
Total Operating Revenues	\$6,915,317	\$651,881	\$7,567,198
OPERATING EXPENSES:			
Set-aside expenses	\$2,683,235	\$ -	\$2,683,235
Bond issue costs	\$10,395	\$ -	\$10,395
Interest expense	\$39,204	\$ -	\$39,204
Principal Forgiveness	\$7,188,923	\$ -	\$7,188,923
Total operating expenses	\$9,921,757	NONE	\$9,921,757
OPERATING INCOME	(\$3,006,440)	\$651,881	(\$2,354,559)
CAPITAL CONTRIBUTIONS AND TRANSFERS	\$19,138,762	\$0	\$19,138,762
CHANGE IN NET ASSETS	\$16,132,322	\$651,881	\$16,784,203
NET ASSETS - BEGINNING OF YEAR	\$158,314,429	\$3,196,929	\$161,511,358
NET ASSETS - END OF YEAR	\$174,446,751	\$3,848,810	\$178,295,561

DRINKING WATER REVOLVING LOAN FUND			
DEPARTMENT OF HEALTH AND HOSPITALS			
OFFICE OF PUBLIC HEALTH			
STATE OF LOUISIANA			
PROPRIETARY FUND - ENTERPRISE FUND			
STATEMENT OF CASH FLOWS, BY ACCOUNT			
FOR THE FISCAL YEAR ENDED JUNE 30, 2012			
	LOAN ACCOUNT	ADMINISTRATIVE AND STATE MATCH ACCOUNT	TOTAL
Cash flows from operating activities			
Cash received from interest on loans	\$4,305,549	\$0	\$4,305,549
Cash received from interest on cash in treasury	\$68,029	\$7,462	\$75,491
Cash received from administrative fees	\$0	\$662,967	\$662,967
Cash received from repayment of loan principal	\$6,991,115	\$0	\$6,991,115
Cash received from allocations for set-aside programs	\$2,515,052		\$2,515,052
Cash payments for set-aside expenses	-\$2,515,052		-\$2,515,052
Cash payments to borrowers	-\$23,050,041		-\$23,050,041
Net cash provided (used) by operating activities	-\$11,685,348	\$670,429	-\$11,014,919
Cash flows from noncapital financing activities			
Contributed capital - EPA	\$12,321,333	\$0	\$12,321,333
Contributed capital - EPA - ARRA	\$6,817,429	\$0	\$6,817,429
Proceeds from issuance of bonds	\$1,489,605	\$0	\$1,489,605
Principal paid on bonds	-\$3,500,000	\$0	-\$3,500,000
Bond interest expense	-\$33,825	\$0	-\$33,825
Bond Commitment Fee	-\$12,700	\$0	-\$12,700
Net Cash provided by noncapital financing activities	\$17,081,842	NONE	\$17,081,842
Net increase in cash	\$5,396,494	\$670,429	\$6,066,923
Cash at beginning of year	\$27,788,554	\$3,055,512	\$30,844,066
Cash at end of year	\$33,185,048	\$3,725,941	\$36,910,989
Reconciliation of operating income to net cash used by operating activities			
Operating income	-\$3,006,440	\$651,881	-\$2,354,559
Adjustments to reconcile income to cash			
Bond Issuance Costs	\$10,395	\$0	\$10,395
Bond Interest Expense	\$33,825	\$0	\$33,825
Bond Commitment Fee	\$12,700	\$0	\$12,700
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-\$27,875	\$18,370	-\$9,505
(Increase) decrease in due from others	\$1,188	\$178	\$1,366
(Increase) decrease in loans receivable	-\$8,870,003	\$0	-\$8,870,003
Increase (decrease) in bonds payable	-\$7,321	\$0	-\$7,321
Increase (decrease) in accounts payable and accrued expenses	\$168,183	\$0	\$168,183
Net cash provided (used) by operating activities	-\$11,685,348	\$670,429	-\$11,014,919
Noncash Investing, Capital, and Financing Activities			
Principal Forgiveness on loans	\$7,188,923	\$ -	\$7,188,923

Notes to the Financial Statements

INTRODUCTION

The Louisiana Department of Health and Hospitals, Office of Public Health (DHH-OPH) is a department of the State of Louisiana. DHH-OPH was created in accordance with Louisiana Revised Statutes (R.S.) 36:251(c) and 258(b) as a part of the executive branch of government. DHH-OPH is charged with protection of the public health of residents of the State of Louisiana.

The Drinking Water Revolving Loan Fund (DWRLF) program was established pursuant to the federal Safe Drinking Water Act Amendments of 1996 (SDWA). The DWRLF program provides financial assistance to both publicly and privately owned community water systems and nonprofit non-community water systems for projects eligible under the SDWA. The DWRLF program presently operates under R.S. 40:2821-2826. These statutes establish a DWRLF program capitalized by federal grants (Capitalization Grants for Drinking Water State Revolving Fund, CFDA 66.468), by state funds when required or available, and by any other funds generated by the operation of the program. The DWRLF program provides assistance through loans for infrastructure projects and other assistance in the form of set-aside activities for program administration, technical assistance, state program management, local assistance, and other state programs. All efforts are directed toward improving drinking water quality by assisting systems in providing drinking water that meets established standards and that achieves the goals of the SDWA.

The DHH-OPH is responsible for the operations and administration of the DWRLF program. DHH-OPH is authorized to apply for and accept capitalization grants from the United States Environmental Protection Agency, to establish assistance priorities, to perform oversight and other related activities, and to provide financial administration of the set-aside and loan accounts for the DWRLF program.

The DWRLF does not have any full-time employees. However, time spent on the DWRLF program by employees of DHH-OPH is captured and the DWRLF subsequently reimburses DHH-OPH for salaries and benefits as well as other operating expenses of the fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. Management of the fund applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Management has elected to follow GASB statements issued after November 30, 1989, rather than the FASB statements.

B. REPORTING ENTITY

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying financial statements represent activity of a fund of the State of Louisiana that is administered by DHH-OPH, a department within state government. The DWRLF is part of the primary government of the State of Louisiana.

Annually, the State of Louisiana issues a comprehensive annual financial report, which includes the activity contained in the accompanying financial statements. Those basic financial statements are audited by the Louisiana Legislative Auditor.

C. FUND ACCOUNTING

For the purposes of this report, the DWRLF uses a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the DWRLF are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the Statement of Net Assets.

The DWRLF uses the accrual basis of accounting. Revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the DWRLF are federal funds and interest earnings. Operating expenses include the set-aside expenses.

E. BUDGETS AND BUDGETARY ACCOUNTING

The DWRLF is budgeted annually by the Louisiana Legislature. The set-aside activities are budgeted as part of the operations of DHH-OPH in the General Appropriations Act. The Ancillary Appropriations Act (Act 42 of the 2011 Regular Session as amended) authorized expenditures of \$40,000,000 for the loan program. The fund is allowed to retain resources to fund future loans and eligible program activities. Because the fund is an enterprise fund, a budgetary comparison is neither required nor presented in the financial statements.

F. LOANS RECEIVABLE

The DWRLF is operated as a direct loan program. The program provides loans and other financial assistance to public water systems for the purpose of planning, constructing, and rehabilitating public water systems.

The program lends federal and state monies directly to public water systems. For every \$5 provided by the federal government, the state is required to provide a matching share of \$1. The effective match share reflects a federal rate of 83.33% and a state rate of 16.67%. Recycling of principal and interest repayments from borrowing water systems allows the program to operate in perpetuity thereby benefiting other water systems wishing to borrow in the future. Borrowers pay principal and interest directly to the loan program, and all monies are deposited directly to the program. Principal repayments can only be used to make additional loans to water systems. Interest earnings on investments and loans can also be used to make additional loans. In addition, with Environmental Protection Agency (EPA) approval, interest earnings on investments and loans are used to pay off revenue bonds sold to capitalize the program by providing state matching funds.

The loans made by the DWRLF must be made at or below market interest rate with a repayment period not exceeding 20 years plus an interim construction-financing period. The current loan rate is 2.95% for new water construction/water system rehabilitation projects. In addition, water systems are charged an administrative fee of 0.5% on outstanding loan balances payable semiannually. Interest and administrative fees are calculated from the date that funds are advanced and after the final disbursement has been made, the payment schedule identified in the loan agreement is adjusted for the actual amounts disbursed.

As evidence of its obligations to pay principal and interest on the loans, each borrower must establish a dedicated source of revenue (or in the case of a privately owned system, demonstrate that there is adequate security) for repayment of the loan [42 USC 300j-12(f)(1)(C)]. For substantially all of these loans, the loan recipient issues bonds that are purchased by DHH, as administrator of the DWRLF, to secure the repayment of the principal loaned. Principal and interest on the bonds are paid to the DWRLF and upon repayment of the loan, the bonds are returned to the loan recipient. Minimum required coverage ratios are established depending on the nature of the bonded indebtedness issued by the loan recipient as follows:

For limited tax bonds, the principal and interest due in any year on the amount borrowed shall not exceed 75% of the revenues estimated to be received from the levy of the pledged millage in the year in which the indebtedness is issued (R.S. 39:742.2).

For sales tax bonds, the total amount of principal and interest falling due in any year, together with principal and interest falling due in such year on any previously issued sales tax bonds, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority of the issue to be received by it in the calendar year in which the bonds are issued (R.S. 39:698.4).

For revenue bonds, the requirements for coverage are established contractually in the loan documents (R.S. 39:1019). Expected coverage ratios might range from 110% to 130% or more. The DWRLF goal for collections of the dedicated revenues for repayment of the loan secured by revenue bonds is 125%; however, many factors can create deviation from this goal. It is customary to use the same minimum required coverage ratio as was previously established for outstanding debt of the loan recipient.

For general obligation bonds, the requirements for coverage are statutorily set. The governing authority of the issuer is required to impose and collect annually, in excess of all other taxes, a tax on all property subject to taxation by the issuer sufficient in amount to pay the interest and the principal falling due each year, or such amount as may be required for any sinking fund necessary to retire said bonds at maturity (R.S. 39:569). Typically, the bond millage is adjusted each year so as to generate enough revenues to pay debt service in the ensuing calendar year. No coverage requirements or debt service reserves exist, because the tax can be adjusted each year *without any limitation whatsoever* to collect the appropriate amount each year.

In the case of sales tax bonds and revenue bonds, each loan recipient is also required to set up a debt service reserve fund equal to 10% of the loan amount or one year's principal and interest for the purpose of paying principal and interest should the dedicated revenues be insufficient for that purpose. The requirement to maintain a debt service reserve fund is not statutorily required, but is usual and customary for these kinds of indebtedness.

Because of the reserve requirements and the absence of any delinquent loans, there is no provision for uncollectible amounts.

G. NET ASSETS

Net assets comprise the various net earnings from operations, non-operating revenues, and contributions of capital. Net assets generally are classified in the following components:

Invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets consist of net assets subject to external constraints placed on net asset use by creditors, grantors, contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of all other net assets that are not included in the other categories previously mentioned.

H. CAPITAL CONTRIBUTIONS

The funds drawn for loans from the EPA capitalization grants authorized by the Safe Drinking Water Act Amendments of 1996 are recorded as capital contributions. Funds drawn for loans authorized by the American Recovery and Reinvestment Act of 2009 are recorded as capital contributions.

I. CAPITAL ASSETS

Equipment is valued at historical cost and includes all items valued at or above \$5,000. Depreciation of all exhaustible capital assets of the fund is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight-line method over the estimated useful life of the asset, generally 5 to 10 years.

J. COMPENSATED ABSENCES

DHH-OPH provides employees to work on the DWRLF program. Compensated absences, pension benefits, and postretirement benefits are provided and recorded by the department and allocated to the fund based on time worked. These allocated expenses are included in the fund financial statements; however no liability for compensated absences or postemployment benefits is recorded in the fund financial statements and no disclosures for compensated absences, pension benefits, or postretirement benefits are included in the fund financial statements, as the ultimate liability is with the department, rather than the fund.

K. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH

As reflected on Statement A, the DWRLF has cash totaling \$36,910,989 at June 30, 2012. All monies of the fund are deposited with the State Treasurer's Office. Cash balances are held and controlled by the state treasurer and are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by accounting principles generally accepted in the United States are included within the State of Louisiana's financial statements.

3. DUE FROM OTHERS

As shown on Statement A, the DWRLF has a total due from others of \$17,535,021.
This total is comprised of the following:

Due from the federal government - set-aside programs	\$382,916
Due from water systems	\$17,146,341
Due from state treasury - interest	<u>\$5,764</u>
Total	<u><u>\$17,535,021</u></u>

Of the \$17,146,341 due from water systems, \$16,267,147 is the current portion of the principal due, \$756,911 is loan interest, and \$122,283 is administrative fees on loans.

4. LOANS RECEIVABLE

The DWRLF makes loans to community water systems both privately and publicly owned and nonprofit non-community water systems for projects that meet the eligibility requirements of the program. Loans are financed by capitalization grants, state match, and revolving funds. The effective interest rate on loans is 3.45% and must be repaid over 20 years starting two years after the closing date of the loan or one year after the project is completed, whichever occurs first. As of June 30, 2012, 67 of the loans have been closed (completed drawing funds for construction) and the remaining loan commitment balance (loans authorized less loans disbursed) totals \$27,186,703. Loans mature at various intervals through June 1, 2036. The scheduled principal payments on loans maturing in subsequent years are as follows:

Year ending June 30:	
2013	\$6,818,500
2014	\$7,263,200
2015	\$7,656,000
2016	\$7,842,900
2016-2019	\$25,206,500
2020-2024	\$43,856,212
2025-2029	\$33,580,859
2030-2034	\$8,129,955
2035-2036	<u>\$145,490</u>
Total loans receivable	<u><u>\$140,499,616</u></u>
Long-term receivable portion	<u><u>\$140,499,616</u></u>

As of June 30, 2012, the DWRLF had made 104 loans to 47 water systems as follows:

PROJECT NAME	Authorized Loan Amount		Loans Outstanding	
	Base	ARRA	Base	ARRA
1 City of Alexandria #1A		\$ 1,000,000.00	\$	-
2 City of Alexandria #1B	\$ 3,390,000.00		\$ 2,915,082.55	
3 City of Alexandria #2	\$ 7,610,000.00		\$ 2,551,614.26	
4 Ascension Consolidated Utilities District #1 1A		\$ 300,000.00	\$	-
5 Ascension Consolidated Utilities District #1 1B	\$ 700,000.00		\$ 672,000.00	
6 Ascension	\$ 6,000,000.00		\$ 4,660,000.00	
7 Ascension Water Co. #2	\$ 5,000,000.00		\$ 4,470,000.00	
8 Avoyelles Ward One Water System	\$ 1,550,000.00		\$ 752,995.92	
9 City of Baker 1A		\$ 2,000,000.00	\$ 383,298.82	
10 City of Baker 1B	\$ 2,200,000.00		\$ 2,113,000.00	
11 Baldwin	\$ 1,249,626.75		\$ 706,000.00	
12 Bayou Des Cannes Water System, Inc. Loan 1A		\$ 666,756.00	\$	-
13 Bayou Des Cannes Water System, Inc. Loan 1B	\$ 1,555,764.00		\$ 1,439,879.70	
14 City of Blanchard Loan 1A		\$ 1,000,000.00	\$	-
15 City of Blanchard Loan 1B	\$ 2,657,000.00		\$ 2,445,000.00	
16 City of Bogalusa 1A		\$ 2,000,000.00	\$ 685,962.04	
17 City of Bogalusa 1B	\$ 3,000,000.00		\$ 2,882,000.00	
18 Buckeye Water District #50	\$ 400,000.00		\$ 357,000.00	
19 Buckeye Loan 2 - A		\$ 684,000.00	\$ 317,000.00	
20 Buckeye Loan 2 - B	\$ 458,000.00		\$ 425,000.00	
21 Calcasieu #8-1A		\$ 384,000.00	\$ 180,000.00	
22 Calcasieu #8-1B	\$ 257,000.00		\$ 240,000.00	
23 Calcasieu #8-1C	\$ 209,000.00		\$ 184,000.00	
24 Churchpoint	\$ 2,500,000.00		\$ 1,280,000.00	
25 Colyell Community WS	\$ 948,599.80		\$ 651,900.00	
26 Colyell Community WS Loan 2	\$ 899,732.40		\$ 834,000.00	
27 Culbertson Water System, Inc.	\$ 598,225.75		\$ -	
28 Town of Delhi	\$ 7,500,000.00		\$ 7,204,999.99	
29 DeSoto Water District	\$ 2,350,000.00		\$ 1,512,000.00	
30 DeSoto Water District #1, 2-A		\$ 708,000.00	\$	-
31 DeSoto Water District #1, 2-B	\$ 1,652,000.00		\$ 1,587,000.00	
32 East Allen Parish Water District, 1-A		\$ 385,000.00	\$	-
33 East Allen Parish Water District, 1-B	\$ 900,000.00		\$ 714,532.80	
34 City of Franklin -1A		\$ 811,000.00	\$	-
35 City of Franklin - 1B	\$ 1,894,000.00		\$ 1,740,000.00	

PROJECT NAME	Authorized Loan Amount		Loans Outstanding	
	Base	ARRA	Base	ARRA
36 French Settlement	\$ 770,066.82		\$ 689,000.00	
37 Gardner 1A		\$ 423,000.00		\$ -
38 Gardner 1B	\$ 987,000.00		\$ 900,761.73	
39 Iberville WWD#2 1A		\$ 1,950,000.00		\$ 915,069.01
40 Iberville WWD#2 1B	\$ 1,300,000.00		\$ 1,249,000.00	
41 Kolin-Raby Wise Water System, Inc. 1-A		\$ 165,000.00		\$ -
42 Kolin-Raby Wise Water System, Inc. 1-B	\$ 385,000.00		\$ 359,000.00	
43 LAWCO - New Iberia	\$ 6,000,000.00		\$ 4,905,000.00	
44 LAWCO - New Iberia #2	\$ 3,500,000.00		\$ 3,125,000.00	
45 Lafayette WWD North	\$ 2,738,586.52		\$ 2,264,586.52	
46 Livingston Ward 2	\$ 9,000,000.00		\$ 5,355,000.00	
47 Livingston Ward 2 - Loan 2	\$ 5,984,678.07		\$ 4,807,000.00	
48 Livingston Ward 2 - Loan 3	\$ 4,000,000.00		\$ 3,829,000.00	
49 Livingston Ward 2 - Loan 4	\$ 8,000,000.00		\$ 405,673.80	
50 City of Mansfield 1-A		\$ 1,000,000.00		\$ -
51 City of Mansfield 1-B	\$ 3,120,000.00		\$ 2,649,682.02	
52 City of Mansfield #2	\$ 1,550,000.00		\$ 1,085,000.00	
53 Mansfield #3	\$ 3,280,000.00		\$ 1,236,731.17	
54 Many #1	\$ 998,521.68		\$ -	
55 Many #2	\$ 1,075,319.77		\$ -	
56 Many #3	\$ 1,470,191.67		\$ -	
57 Monroe #1	\$ 3,000,000.00		\$ 2,550,000.00	
58 City of Morgan City 1A		\$ 1,000,000.00		\$ -
59 City of Morgan City 1B	\$ 1,750,000.00		\$ 1,690,000.00	
60 City of Morgan City 1W	\$ 1,234,000.00		\$ 788,384.24	
61 Natchitoches, City of	\$ 3,500,000.00		\$ 2,253,000.00	
62 Natchitoches 2A		\$ 2,000,000.00		\$ 436,385.50
63 Natchitoches 2B	\$ 3,000,000.00		\$ 1,882,340.00	
64 Natchitoches Parish WWD #2-1	\$ 3,500,000.00		\$ 2,938,774.90	
65 Natchitoches Parish WWD #2-2	\$ 649,276.49		\$ -	
66 New Orleans Sewerage & Water Board, 1-A		\$ 1,800,000.00		\$ 745,149.18
67 New Orleans Sewerage & Water Board, 1-B	\$ 1,600,000.00		\$ 1,065,285.80	
68 Oakdale	\$ 1,492,411.90		\$ 896,411.90	
69 Pearl River	\$ 1,800,000.00		\$ 78,410.10	
70 Point Wilhite	\$ 925,000.00		\$ 851,000.00	
71 Town of Pollock, 1-A		\$ 159,000.00		\$ -
72 Town of Pollock, 1-B	\$ 371,000.00		\$ -	
73 Quitman	\$ 480,000.00		\$ 311,000.00	
74 Ruston 1A		\$ 2,000,000.00		\$ 829,201.91
75 Ruston 1B	\$ 1,334,000.00		\$ 1,281,000.00	
76 Savoy Swords	\$ 907,237.85		\$ 779,202.50	
77 Savoy Swords 2A		\$ 265,800.00		\$ -
78 Savoy Swords 2B	\$ 620,200.00		\$ 555,332.05	
79 Shreveport #1	\$ 7,000,000.00		\$ 4,505,000.00	
80 Shreveport #2	\$ 7,000,000.00		\$ 4,505,000.00	
81 Shreveport#3	\$ 5,540,000.00		\$ 3,565,000.00	
82 Shreveport #4A		\$ 2,000,000.00		\$ 961,000.00
83 Shreveport #4B	\$ 9,000,000.00		\$ 7,669,667.94	
84 Town of Slaughter #1	\$ 1,355,000.00		\$ 1,222,489.60	
85 Town of Slaughter #2	\$ 640,522.90		\$ 554,000.00	
86 Town of Slaughter #3	\$ -		\$ -	
87 Southwest Allen Parish WWD#2, 1-A		\$ 298,500.00		\$ -
88 Southwest Allen Parish WWD#2, 1-B	\$ 696,500.00		\$ 663,500.00	
89 City of Springhill	\$ 7,456,558.00		\$ 6,666,558.00	

PROJECT NAME	Authorized Loan Amount		Loans Outstanding	
	Base	ARRA	Base	ARRA
90 Terrebonne	\$ 1,900,000.00		\$ 1,141,353.30	
91 City of Thibodaux 1-A		\$ 1,000,000.00		\$ -
92 City of Thibodaux 1-B	\$ 5,400,000.00		\$ 2,208,848.78	
93 United Water System, Inc.	\$ 360,333.26		\$ 322,000.00	
94 United Water System, Inc. 2-A		\$ 285,000.00		\$ -
95 United Water System, Inc. 2-B	\$ 667,000.00		\$ 631,191.49	
96 City of Ville Platte, 1-A		\$ 2,000,000.00		\$ 984,000.00
97 City of Ville Platte, 1-B	\$ 2,050,000.00		\$ 1,836,407.78	
98 City of Walker 1-A		\$ 156,000.00		\$ -
99 City of Walker 1-B	\$ 364,000.00		\$ 348,000.00	
100 Westlake, City of	\$ 3,739,906.34		\$ 2,655,906.34	
101 Westlake, City of #2A		\$ 870,000.00		\$ -
102 Westlake, City of #2B	\$ 2,030,000.00		\$ 1,868,000.00	
103 West Winnsboro	\$ 648,093.00		\$ -	
104 West Winnsboro #2	\$ 467,459.84		\$ 401,459.84	
105 City of Winnfield	\$ 2,500,000.00		\$ 179,583.09	
Net Total	\$ 194,616,812.81	\$ 27,311,056.00	\$ 134,062,548.11	\$ 6,437,066.46
Grand Total		\$ 221,927,868.81		\$ 140,499,614.57

The DWRLF has been awarded 15 federal grants from the EPA. These grants are available through the EPA's Automated Clearing House Payment System (ACH) and the Automated Standard Application for Payments (ASAP) System. Fourteen grants are authorized by the Safe Drinking Water Act Amendments of 1996 and require matching funds from the state. The fourteenth grant is funded under the American Recovery and Reinvestment Act of 2009 and requires no matching funds from the state. As of June 30, 2012, EPA has awarded grants of \$212,632,700 to the state of which \$181,293,933 has been drawn, \$160,366,757 for loans and \$20,927,176 for set-aside activities. The state has provided matching funds through the year ended June 30, 2012, of \$31,458,053. The following summarizes the grants awarded, amounts drawn of each grant as of the balance sheet date, and balances available for future loans and set-aside expenses:

<u>Grant Source</u>	<u>Grant Amount</u>	<u>Cumulative Dollar Draws Set-Asides</u>	<u>Cumulative Dollar Draws Loans</u>	<u>Total Cumulative Dollars Drawn as of June 30, 2012</u>	<u>Remaining Grant Dollars Available as of June 30, 2012</u>
FS996968-01-2	\$20,420,300	\$4,307,056	\$16,113,244	\$20,420,300	
FS996968-02-2	9,949,200	1,553,988	8,395,212	9,949,200	
FS996968-03-0	10,427,700	1,642,927	8,784,773	10,427,700	
FS996968-04-0	10,837,400	1,070,826	9,766,574	10,837,400	
FS996968-05-0	18,934,800		18,934,800	18,934,800	
FS996968-06-0	8,004,100	1,311,487	6,692,613	8,004,100	
FS996968-07-0	8,303,100	1,470,000	6,833,100	8,303,100	
FS996968-08-0	8,285,500	1,165,000	7,120,500	8,285,500	\$0
FS996968-09-0	11,658,600	1,511,662	10,146,938	11,658,600	0
FS996968-10-0	11,659,000	236,662	11,422,338	11,659,000	0
FS996968-11-0	11,540,000	2,000,000	9,540,000	11,540,000	0
FS996968-12-0	11,540,000	1,900,000	9,640,000	11,540,000	0
FS996968-13-0	25,649,000	2,252,673	13,040,150	15,292,823	10,356,177
FS996968-14-0	17,798,000	385,234	0	385,234	17,412,766
2F-96692001-0	27,626,000	119,661	23,936,515	24,056,176	3,569,824
	<u>\$212,632,700</u>	<u>\$20,927,176</u>	<u>\$160,366,757</u>	<u>\$181,293,933</u>	<u>\$31,338,767</u>

The state has provided its required matching share of federal grant awards through General Fund appropriations and the sale of revenue bonds. Cash contributions from General Fund appropriations and sales of revenue bonds have totaled \$31,458,053. Matching contributions are as follows:

	<u>Cumulative State Match as of June 30, 2011</u>	<u>2012 Contribution</u>	<u>Cumulative State Match as of June 30, 2012</u>
State cash contribution	<u>\$29,968,448</u>	<u>\$1,476,905</u>	<u>\$31,445,353</u>

5. SET-ASIDE EXPENSES

A portion of the federal grant amounts awarded by the EPA can be specified to fund set-aside activities as follows:

- Up to 4% to provide administrative and technical assistance
- Up to 2% to provide technical assistance to small water systems
- Up to 10% to provide state program management
- Up to 15% to provide assistance in the development and implementation of local drinking water protection initiatives and other local assistance and state programs

Set-aside expenses are summarized as follows:

	2012	Prior Years	Total
Administration	\$377,414	\$4,031,820	\$4,409,234
Small system technical assistance	132,956	1,877,459	2,010,415
State programs	1,957,617	10,503,049	12,460,666
Local assistance and state programs	130,165	2,151,202	2,281,367
ARRA Grant	85,083	63,327	148,410
Total	<u>\$2,683,235</u>	<u>\$18,626,857</u>	<u>\$21,310,092</u>

The amount of 2012 set-aside expenses of \$2,683,235 includes accruals and payables of \$382,916.

6. PAYABLES

The following is a summary of payables and accrued expenses at June 30, 2012:

Vendor payables	\$345,221
Payroll accrual	37,695
Total	<u>\$382,916</u>

7. LONG-TERM LIABILITIES

The following is a summary of bonds and other long-term debt transactions of the fund for the year ended June 30, 2012:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Portion Due Within One Year
Bonds payable	<u>\$2,000,000</u>	<u>\$1,500,000</u>	<u>\$3,500,000</u>	<u>\$0</u>	<u>\$0</u>

The fund is allowed by CFR 35.3550(g)(3), to issue general obligation or revenue bonds to derive the state match. Furthermore, the secretary of DHH, through a Resolution by Executive Order pursuant to R.S. 30:2011 *et seq.*, was authorized, for state matching purposes, to borrow through the issuance of the department's note to the Louisiana Public Facilities Authority (LPFA), a conduit issuer of serial bonds for the department and the state.

The serial bond issue, Louisiana Public Facilities Authority Revenue Bonds (Drinking Water Revolving Loan Fund Match Project) Series 2006, was issued during the fiscal year ending June 30, 2006, in an amount up to \$7,300,000. This Indenture of Trust was issued between the LPFA and Hancock Bank of Louisiana. This indebtedness was secured solely from the pledge of a portion of the revenues received by the department from loans made by the program (interest earned on loans receivable and interest earned on cash in state treasury).

The LPFA is a public trust and public corporation organized and existing for the benefit of the State of Louisiana. At the same time as the issuance of the serial bonds described above, a loan agreement was executed between LPFA and DHH for a total of \$7,300,000 to facilitate the payment of bond principal and interest. On August 28, 2008, an additional agreement was executed for \$5,000,000, on March 10, 2009, an additional agreement was executed for \$1,000,000 and on May 20, 2009 an additional agreement was executed for \$5,000,000; and in September 2010 an additional agreement was executed for \$10,000,000 for a total of \$28,300,000. Of the \$28,300,000, \$1,000,000 was issued during fiscal year 2006; \$1,500,000 was issued during fiscal year 2007; \$2,250,000 was issued during fiscal year 2008; and \$2,250,000 was issued during fiscal year 2009 and \$5,300,000 was issued

during fiscal year 2010, \$6,000,000 was issued during fiscal year 2011, and \$1,500,000 was issued during fiscal year 2012.

As of June 30, 2012, a total of \$19,526,070 was generated for matching fund purposes by the issuance of these serial bonds. Bond issue costs of \$261,230 were absorbed by bond proceeds and are, therefore, not required to be charged against the 4% administrative costs allowance in accordance with Drinking Water State Revolving Fund program guidelines. The \$1,500,000 of bonds issued in fiscal year 2012 and the \$2,000,000 bonds outstanding at June 30, 2011 were repaid before the end of the fiscal year leaving no bonds payable at June 30, 2012.

9. LITIGATION AND CLAIMS

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by legislative appropriation. The DWRLF has no lawsuits outstanding at June 30, 2012.

EXHIBIT XII

CASH FLOW PROJECTIONS

A requirement for the program by the EPA is that projections of cash be made for a term of 20 years. EPA has reiterated the importance of using the projections as a tool to monitor and manage the program. LDHH is receiving financial assistance for leveraging and other matters from Public Financial Management (PFM) through the Louisiana Public Facilities Association. PFM prepared the cash flow projections for LDHH.

These assumptions and projections were prepared for the United States Environmental Protection Agency for the purpose of receiving capitalization grants and for management of the program; therefore, they should not be used for any other purpose. Furthermore, even if the hypothetical assumptions described in this exhibit materialize, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Other Sources of Funding	8/1/2011	8/1/2012	8/1/2013	8/1/2014	8/1/2015	8/1/2016	8/1/2017	8/1/2018	8/1/2019	8/1/2020	Total
Capitalization Grant	\$ 17,515,000.00	\$ 17,789,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 12,000,000.00	\$ 131,304,000.00
Less Set-Asides from Cap. Grant	\$ (1,576,350.00)	\$ (1,778,900.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (1,200,000.00)	\$ (12,955,250.00)
State Match Requirement (Bonded)	\$ 3,503,000.00	\$ 3,557,800.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 26,260,800.00
Recycling Funds	\$ 267,938.75	\$ 6,900,123.20	\$ 7,232,148.58	\$ 9,918,742.65	\$ 10,903,402.21	\$ 11,645,443.10	\$ 12,576,936.83	\$ 13,578,299.73	\$ 14,629,061.27	\$ 15,748,498.32	\$ 103,400,594.63
Undrawn Funds	\$ 35,536,754.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,536,754.89
Total	\$ 55,246,343.64	\$ 26,468,023.20	\$ 20,432,148.58	\$ 23,118,742.65	\$ 24,103,402.21	\$ 24,845,443.10	\$ 25,776,936.83	\$ 26,778,299.73	\$ 27,829,061.27	\$ 28,948,498.32	\$ 283,546,899.52
Sources of Funding for Loans	8/1/2011	8/1/2012	8/1/2013	8/1/2014	8/1/2015	8/1/2016	8/1/2017	8/1/2018	8/1/2019	8/1/2020	
Par Amount (State Match Bonds)	\$ 3,810,000.00	\$ 3,870,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 2,610,000.00	\$ 28,560,000.00
Additional Funds	\$ 50,166,993.64	\$ 21,131,323.20	\$ 16,832,148.58	\$ 19,518,742.65	\$ 20,503,402.21	\$ 21,245,443.10	\$ 22,176,936.83	\$ 23,178,299.73	\$ 24,229,061.27	\$ 25,348,498.32	\$ 244,330,849.52
Total	\$ 53,976,993.64	\$ 25,001,323.20	\$ 19,442,148.58	\$ 22,128,742.65	\$ 23,113,402.21	\$ 23,855,443.10	\$ 24,786,936.83	\$ 25,788,299.73	\$ 26,839,061.27	\$ 27,958,498.32	\$ 272,890,849.52
Uses of Funds											
State Match Loan Account	\$ 3,503,000.00	\$ 3,557,800.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 2,400,000.00	\$ 26,260,800.00
Additional Funds	\$ 50,171,764.89	\$ 21,136,529.89	\$ 16,835,134.70	\$ 19,521,728.77	\$ 20,506,388.34	\$ 21,248,429.23	\$ 22,179,922.95	\$ 23,181,285.85	\$ 24,232,047.39	\$ 25,351,484.44	\$ 244,364,716.46
Subtotal - Loans Funded	\$ 53,674,764.89	\$ 24,694,329.89	\$ 19,235,134.70	\$ 21,921,728.77	\$ 22,906,388.34	\$ 23,648,429.23	\$ 24,579,922.95	\$ 25,581,285.85	\$ 26,632,047.39	\$ 27,751,484.44	\$ 270,625,516.46
State Match Reserve Fund	\$ 267,938.75	\$ 272,163.31	\$ 183,523.88	\$ 183,523.88	\$ 183,523.88	\$ 183,523.88	\$ 183,523.88	\$ 183,523.88	\$ 183,523.88	\$ 183,523.88	\$ 2,008,293.06
Underwriter's Discount	\$ 19,050.00	\$ 19,350.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 13,050.00	\$ 142,800.00
Costs of Issuance	\$ 15,240.00	\$ 15,480.00	\$ 10,440.00	\$ 10,440.00	\$ 10,440.00	\$ 10,440.00	\$ 10,440.00	\$ 10,440.00	\$ 10,440.00	\$ 10,440.00	\$ 114,240.00
Rounding	\$ 4,771.25	\$ 5,206.69	\$ 2,986.13	\$ 2,986.13	\$ 2,986.13	\$ 2,986.13	\$ 2,986.13	\$ 2,986.13	\$ 2,986.13	\$ 2,986.13	\$ 33,866.94
Total	\$ 53,981,764.89	\$ 25,006,529.89	\$ 19,445,134.70	\$ 22,131,728.77	\$ 23,116,388.34	\$ 23,858,429.23	\$ 24,789,922.95	\$ 25,791,285.85	\$ 26,842,047.39	\$ 27,961,484.44	\$ 272,924,716.46

	Loan Interest Repayments	Investment Earnings (Loan & Reserve Funds)	Revenues Available for State Match Debt Service	State Match Debt Service	State Match Coverage	Remaining Interest Revenues Available	Loan Principal Repayments	Revenues Available for Leveraged Debt Service	Total Revenues
8/1/2011	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
8/1/2012	2,962,618.84	36,256.05	2,998,874.89	427,915.00	7.01x	2,570,959.89	4,057,000.00	6,627,959.89	7,055,874.89
8/1/2013	3,000,281.45	48,908.58	3,049,190.03	860,157.00	3.54x	2,189,033.03	4,859,591.67	7,048,624.70	7,908,781.70
8/1/2014	4,265,578.79	37,114.41	4,302,693.20	1,157,482.00	3.72x	3,145,211.20	6,590,007.57	9,735,218.77	10,892,700.77
8/1/2015	4,619,530.33	33,120.00	4,652,650.33	1,451,885.00	3.20x	3,200,765.33	7,519,113.01	10,719,878.34	12,171,763.34
8/1/2016	4,835,461.41	33,120.00	4,868,581.41	1,747,457.00	2.79x	3,121,124.41	8,340,794.81	11,461,919.23	13,209,376.23
8/1/2017	5,105,473.45	33,120.00	5,138,593.45	2,043,357.50	2.51x	3,095,235.95	9,298,177.00	12,393,412.95	14,436,770.45
8/1/2018	5,375,304.66	33,120.00	5,408,424.66	2,333,373.50	2.32x	3,075,051.16	10,319,724.69	13,394,775.85	15,728,149.35
8/1/2019	5,635,897.70	33,120.00	5,669,017.70	2,626,505.00	2.16x	3,042,512.70	11,403,024.69	14,445,537.39	17,072,042.39
8/1/2020	5,890,890.71	33,120.00	5,924,010.71	2,921,732.50	2.03x	3,002,278.21	12,562,696.23	15,564,974.44	18,486,706.94
8/1/2021	6,140,127.42	33,120.00	6,173,247.42	3,213,275.50	1.92x	2,959,971.92	13,795,405.56	16,755,377.48	19,968,652.98
8/1/2022	6,386,260.39	8,280.00	6,394,540.39	2,789,093.00	2.29x	3,605,447.39	14,912,064.21	18,517,511.60	21,306,604.60
8/1/2023	6,626,920.32	-	6,626,920.32	2,349,580.00	2.82x	4,277,340.32	16,212,562.72	20,489,903.04	22,839,483.04
8/1/2024	6,118,963.07	-	6,118,963.07	2,055,942.00	2.98x	4,063,021.07	16,082,884.48	20,145,905.55	22,201,847.55
8/1/2025	5,644,010.09	-	5,644,010.09	1,759,654.00	3.21x	3,884,356.09	14,737,895.55	18,622,251.64	20,381,905.64
8/1/2026	5,196,127.97	-	5,196,127.97	1,466,528.00	3.54x	3,729,599.97	14,931,654.41	18,661,254.38	20,127,782.38
8/1/2027	4,744,626.06	-	4,744,626.06	1,172,303.50	4.05x	3,572,322.56	15,076,285.22	18,648,607.78	19,820,911.28
8/1/2028	4,295,605.08	-	4,295,605.08	878,071.00	4.89x	3,417,534.08	14,459,432.30	17,876,966.38	18,755,037.38
8/1/2029	3,866,157.09	-	3,866,157.09	584,827.50	6.61x	3,281,329.59	14,511,164.62	17,792,494.20	18,377,321.70
8/1/2030	3,430,752.69	-	3,430,752.69	293,550.00	11.69x	3,137,202.69	14,898,872.87	18,036,075.56	18,329,625.56
8/1/2031	2,993,395.15	-	2,993,395.15	-		2,993,395.15	14,159,845.56	17,153,240.71	17,153,240.71
8/1/2032	2,577,957.31	-	2,577,957.31	-		2,577,957.31	13,943,308.60	16,521,265.92	16,521,265.92
8/1/2033	2,173,804.63	-	2,173,804.63	-		2,173,804.63	13,736,598.82	15,910,403.45	15,910,403.45
8/1/2034	1,768,234.97	-	1,768,234.97	-		1,768,234.97	10,819,658.77	12,587,893.74	12,587,893.74
8/1/2035	1,448,700.04	-	1,448,700.04	-		1,448,700.04	9,837,618.59	11,286,318.63	11,286,318.63
8/1/2036	1,158,120.29	-	1,158,120.29	-		1,158,120.29	9,083,329.72	10,241,450.01	10,241,450.01
8/1/2037	889,772.06	-	889,772.06	-		889,772.06	8,100,192.05	8,989,964.11	8,989,964.11
8/1/2038	650,473.44	-	650,473.44	-		650,473.44	6,957,550.89	7,608,024.33	7,608,024.33
8/1/2039	445,225.69	-	445,225.69	-		445,225.69	5,793,331.75	6,238,557.43	6,238,557.43
8/1/2040	274,322.40	-	274,322.40	-		274,322.40	4,523,702.31	4,798,024.71	4,798,024.71
8/1/2041	140,873.18	-	140,873.18	-		140,873.18	3,140,132.07	3,281,005.25	3,281,005.25
8/1/2042	48,239.29	-	48,239.29	-		48,239.29	1,635,230.03	1,683,469.31	1,683,469.31
	\$ 108,709,705.97	\$ 362,399.04	\$ 109,072,105.01	\$ 32,132,689.00		\$ 76,939,416.01	\$ 326,298,850.75	\$ 403,238,266.75	\$ 435,370,955.75

